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642 these "antiquated" forms and sancrosanctly adopted the constitutional tenets of Stalinism.[2]

Compared to the earlier document the new Constitution contains certain features which seem to corroborate the complete Sovietization of the country. In fact, were it not for political expediency in the field of foreign affairs, the incorporation of the People's Republic of Rumania into the USSR as a constituent member would be only a matter of sheer formality, necessitating merely the amending of the USSR Constitution.

[648] Short of this final step, however, the new Rumanian Constitution provides, in an almost unique manner in constitutional law, for the freezing of Rumania's foreign policy by incorporating in the text friendship and alliance with the USSR. Whereas the former Constitution completely failed to mention the USSR, the present document refers to the Soviet Union and the Red Army not less than five times. The USSR is depicted as the liberator of the country, whose friendship ensures "the independence, state sovereignty, development, and flourishing" of Rumania (Paragraphs 2 and 4 of the Introductory Chapter and Article 3).

[565] The basic features of the new society are outlined in Chapter I. It defines the People's Republic of Rumania as a "state of the working people of town and countryside" (Article 1). The political foundation of the state is the "alliance of the working class with the working peasantry . . . in which the leading role is held by the working class" (Article 2). Thus, for the first time in a Rumanian constitution, the preponderance of the working class is formally acknowledged. Furthermore, the central strategic position of the Communist Party and its implicit identification with the state is, as in the USSR, legally declared (Article 86). In fact, notwithstanding the discrepancies existing between the constitutions of the people's republics, their main difference from the Stalin Constitution has thus far concerned the legal position of the Party. Whereas Article 126 of the USSR Constitution openly refers to the Party as the vanguard in "the struggle to strengthen and develop the socialist system," the satellite constitutions typically make no mention of its role. The Hungarian Constitution of 1949, which until lately was considered as the most advanced, faintly refers to it in Article 56. In reference to the right of organizing, this Article asserts that the state "in fulfilling its tasks . . . bases itself . . . on the working class, led by its *advanced guard* (emphasis supplied) and supported by the democratic unity of the whole people." Even the new Polish Constitution of 1952 fails to acknowledge the exclusive role of the Communist Party. Although the provisions of Article 72 have merely theoretical importance, as

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[2] In fact, all component chapters of the Constitution proper—the Social Structure, the Supreme Organ of State Power, the Organs of State Administration, the Local Organs of State Power, the Courts and the Prosecutor's Office, the Fundamental Rights and Duties of Citizens, the Electoral System, the Arms, Flag and Capital of the Rumanian People's Republic and the Procedure for Amending the Constitution—have an equivalent in the Soviet Constitution. Indeed, some of the articles have been copied verbatim.

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in practice no open opposition is permitted in Poland, they nevertheless 665 "legalize" the existence of other political organizations. 642

The constitutional legalization of the Communist Party's exclusive control of state power in Rumania is based on the contention that with the complete eradication of the active opposition in the country the Party no longer needs to hide under the paraphernalia of tactical secrecy. The Party's "legal" control of the state apparatus is assured by its exclusive right to nominate candidates in the elections of deputies to the Grand National Assembly (Article 100). This control is further facilitated by the provisions of the new Electoral Law restricting the right of certain groups of people considered inimical to the regime to participate in the national elections. In this respect, the 1936 Constitution of the USSR (Article 135) is more liberal; it removed all discriminatory provisions—religious, economic, and political—formerly applied against non-Bolsheviks. This distinction is based on the supposition that, unlike the USSR, Rumania as well as the other popular republics, advanced as they are, are still in the presocialistic stage of development, which necessitates an incessant waging of the class-struggle against the "enemies of the working class."

Theoretically, the people exercise their power through duly elected organs, 642 the Grand National Assembly and the People's Councils. These, in turn, appoint the necessary administrative and judiciary bodies, the Presidium, the Council of Ministers, the higher echelon of the judiciary, and the Executive Committees of the People's Councils respectively. Though the constitutional theory of exclusive legislative power in the Grand National Assembly is constantly maintained, Soviet and satellite legislative history reveals the preponderance of the Council of Ministers. While the Council is formally appointed by, and theoretically subordinate to, the Grand National Assembly, its members in reality are chosen by the Central Committee of the United Workers' (Communist) Party from among its leading functionaries. The primary function of the Council of Ministers is to effectuate the policies of the Party through the vast bureaucratic apparatus it controls; that of the Grand National Assembly is the ratification of governmental decrees.

Justice in the People's Republic of Rumania, according to the new Constitution, is administered by the Supreme Court, the Regional Courts, the People's Courts, and the Special Courts. Their main function is the defense of the political regime and the protection of communal property and of the rights of citizens (Article 65). Unless otherwise provided for by law, all judicial cases are tried with the participation of people's assessors (Article 66). [692]

The supreme supervisory power over the observance of law by all central 693 and local governmental organs of state power and administration as well as 642 by all officials and citizens is vested in the Procurator General of the Rumanian People's Republic (Article 73). He is appointed by the Grand National Assembly for a term of five years, and he in turn, appoints his deputies and the procurators of the local units for a term of four years (Article 74). Whereas the organs of the Procurator's Office are independent of all local governmental

of these institutions naturally became mere façades to conceal a much
642 cruder reality. Party politics, for example, bore a very superficial resemblance
665 to those of nineteenth-century England: two principal
parties, the Liberals and the Conservatives, alternated in office. But
the reality behind this two-party system was altogether different.
Politics were based on a very narrow franchise,[30] the parties themselves
tended to be coteries surrounding a dominant personality or
family, and there were constant factions and party splits. Both the
Conservatives and the Liberals obtained their support from the landowners,
the principal distinction between them being that the Conservatives
were usually the explicit spokesmen of the large agrarian
interests, whereas the Liberals were increasingly interested in making
Rumania a strong modern (i.e., commercial and industrial) state
and held the controlling positions in the growing financial institutions.

671 In the field of law the Rumanians demonstrated what Dobrogeanu-Gherea
correctly called a "mania for legislation." A flood of laws was
177 continually being passed—elegantly rendered by men who had taken
their law course at Paris—but with remarkably little effect. Some
were inapplicable at the outset, few were administered properly, and
most were soon forgotten by all concerned, with no effort made to
examine their consequences. Other examples could be cited from the
fields of public finance, civil rights, and the press to illustrate the
abyss lying between political and constitutional forms and actual
practice. The persistence of this dualism right up to the 1940's has
undoubtedly had a corrupting effect upon Rumanian politics and
society.

566 Notwithstanding these contradictions, which have struck all foreign
177 observers in the past century, the very introduction of Western
paraphernalia had certain important positive effects. A peasant who
had been inducted, under universal conscription, into the army, who
could read in the press (or have read to him) about agrarian disturbances
in Sicily, Ireland, or Russia, or who heard the charges and
countercharges of the political parties, however rhetorical these may
have been—such a peasant was moving out of the closed circle of the
village. This is evidenced in the active role played by ex-army sergeants,
185 clerks, and schoolteachers in the 1907 uprising. Moreover,
the mere existence of constitutional and legal devices, however inoperative
177 they may have been, provided potential channels for change
and increased the flexibility of the existing order. Thus, in spite of
the fact that changes were apt to prove illusory rather than real,

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[30] A system of electoral colleges, rather like that of Prussia before 1918, assured a preponderant strength in the assembly to the landowners and the wealthy urban groups.

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V

POLITICS IN GREATER RUMANIA

THE political history of Rumania since 1922 has been extraordinarily involved and unstable, frequently verging on the absurd but ultimately tragic. Economic circumstances as outlined in the preceding section have contributed to the continuing instability both through the tangle of political issues which they have produced and through the demoralizing effect upon political life of widespread and chronic poverty. Two important qualifications must be made, however. 178

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While it is true that the task of finding remedies to Rumania's economic difficulties was forced upon all successive administrations, the governments rarely acted on the basis of purely economic considerations. A strong economic nationalism, in part arising from the desire to defend the acquisitions of Greater Rumania against Hungarian, Bulgarian, and Russian irredentism, determined policy during most of the years after the First World War.[1]

The unhealthy condition of politics stemmed not merely from the poverty of the peasants but from the fact that they were not really included in the political life of the nation. In 1924 Professor Rădulescu-Motru observed that "The passivity of the peasantry has been the principal cause of Rumania's immorality." [2] Even the Peasant party had its ideological origins in a literary movement, and the leaders of the party were, in the main, professional men and intellectuals. To be sure, in all countries there is a divergence between the direction and active membership of a political party and the mass of the electorate, but it was carried to an extreme in Rumania because of the vast gulf which had existed for centuries between the peasant and his rulers. Parliamentary politics, including even the names of parties, had been copied from the West in the nineteenth century by sections of the ruling groups anxious to modernize Rumania. Since these imported parties had little to do with the great majority of the

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[1] For a discussion of the effects of national interests upon the economic policy of all the Danubian states in the 1920's see Leo Pasvolsky, *Economic Nationalism of the Danubian States* (New York, 1928). Antonin Basch, *The Danube Basin and the German Economic Sphere* (London, 1944), gives a sympathetic appreciation of the difficulties confronting these states in shaping their economic policy.

[2] C. Rădulescu-Motru, *Ţărănismul, un suflet şi o politică* (Bucarest, 1924), p. 87.

565 inhabitants, they had remained a field for partisan skirmishes among
●665 the different factions of the boyars and the growing financial and industrial interests. The limited ambit of politics was not, however, altogether the responsibility of the boyars, though most of them certainly cannot be charged with equalitarian leanings.

829 Much has been written in Rumania on the primitive state of the
642 peasant, his inability to govern himself, and the necessity for his
621 gradual, supervised initiation into the mysteries of government. While such writings often conceal an *arrière pensée*, they contain one element of truth: the economic role of the peasant, as a relatively self-contained and self-sufficient producer, does confine the orbit of his interests to his village. This limitation of interests has nothing to do with any shortcomings on the part of the peasant, but merely means that his economic and social life does not extend into many of the fields which comprise the necessary activities of modern governments. The immediate and obvious wishes of the peasant—such as more land, more lenient credit, and lower taxes—cannot be the satisfactory basis of a political program unless they can be related to some means of realizing them. The possibility of their direct and immediate fulfillment in Rumania was limited; the indirect measures which could ultimately improve his status—the over-all increase of the nation's productivity and capital—involved questions quite beyond his understanding as a peasant, if not as an individual.

565 In all states there is a gap between the desires of the average voter and the complexities of economic and administrative activity; in Rumania this gap was accentuated by the fact that almost four-fifths of the population was of the peasantry. Moreover, since such a large percentage of the population was devoted to one occupation, there was relatively little scope for the diversified play of economic and social interests in politics such as characterizes a more advanced society. Rumanian writers, regretting the division of their society between a formless mass of peasants and an oligarchic ruling group, have perennially pined for the emergence of a middle class. During the interwar period the base for political activity broadened somewhat through increasing industrialization, through the growth of a more numerous middle peasantry, and through strong regional interests in the new provinces, but the great bulk of the electorate was still the poor peasantry, whose chief historical means of declaring its wishes had been in sporadic and unsuccessful uprisings.

666 Partly for these reasons the extension of the suffrage after the First World War did not lead to political democracy. Politics, which retained a distinctly Phanariot flavor, was the art of taking advan-

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tage of the amorphous character of the peasantry. Rumanian elections were notorious for their corruption, ballot stuffing, and general unreliability as measures of public sentiment. Perhaps only two elections in the entire period were at all free and fair, and both produced a marked upset in political life. In most cases elections were "made" in advance. Many governments were in power through no popular mandate whatsoever but merely through political arrangements; dismissals were equally arbitrary and only occasionally resulted from the loss of popular confidence. It would be futile and misleading to attempt to explain the course of Rumanian politics by an analysis of the elections. 666

The most notable shifts in the political pattern in the years immediately after the First World War were the disappearance of the Conservative party and the rise of a number of new political formations, some of which were very short-lived. The position of the Conservatives had been declining even before the war, partly because of periodic crises in the selection of leaders.[3] The question of land reform and Rumania's participation in the war completely split the party; after 1918 there were two principal factions, the Conservative Democrats under Take Ionescu and the Progressive Conservatives under Alexandru Marghiloman. Ionescu participated in the Averescu cabinet of 1920–21, and after its fall attempted unsuccessfully to form a government; he died in 1922 and his followers subsequently joined Maniu's National party. Although Marghiloman confidently declared in 1923 that the "conservative doctrine is enjoying a flowering and an extraordinary vigor throughout the world,"[4] his party disappeared shortly and was absorbed by other groups. 665

Perhaps too much social significance has been attributed to the disappearance of the Conservatives as a sign of the uprooting of the old boyar class through the land reform and the extension of the suffrage. Considering the ease with which Rumanian parties were concocted from thin air and parliamentary majorities obtained, equal emphasis should be placed upon internal party weaknesses and schisms and upon the consequences of the Germanophile attitude of many Conservatives during the war. To be sure, the Conservative doctrine, if there was such, had little to offer. Marghiloman could insist that *natura non facit saltum* and urge the importance of tradition and natural development, but in plain fact Rumania was pro-

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[3] "The history of the Conservative Party in Rumania has been the history of struggles for chiefs." Rădulescu-Motru, *op. cit.*, p. 36.

[4] A. Marghiloman, "Doctrina conservatoare," in Institutul Social Român, *Doctrinele partidelor politice* (Bucurest, n.d.), p. 111.

665 gressing by irregular leaps and everyone was inclined to ridicule and revile the unhappy past. The Young Conservatives (Junimists) in the latter years of the nineteenth century had broken with the old-fashioned traditions of the great boyars, and before the war the party had included an increasing number of nonlandholding elements. In short, "conservatism" ceased to be a particularly promising political label.

A multitude of new parties made their appearance, ranging from the quickly outlawed Communists to a variety of fascist and anti-Semitic groups. Some of the parties, such as General Averescu's People's party and the historian Nicolae Iorga's National Democratic party, were little more than a coterie around a prominent man; some, notably the Peasant party and the Rumanian National party of Transylvania, had a relatively broad popular basis. Small parties represented the Jewish, German, Magyar, and Ukrainian minorities.

As the years passed the number of parties increased, often through schisms and regroupings, and the significance of political activity came to be in inverse proportion to the multiplicity of parties. The weak popular support of most of the parties, together with the extravagance of interparty squabbles, had the inevitable consequence of increasing political indifference among the mass of the people and of lending a certain plausibility to the claims of those who stood "above politics." From the beginning of the period there were appeals to "social harmony" and "solidarism" which were to reconcile political differences. Two institutions in particular served as foci for this "nonpolitical" current: the crown and the army. Although Rumania was a constitutional monarchy the crown had a strong position in both the Constitution of 1866 and the Constitution of 1923. From the days of Prince Cuza and Carol I there had been a tradition of the king father to his people, protecting them against the machinations of politicians; under Carol II this paternalism was to reach an extreme form in a monarchist dictatorship. The army played perhaps a less prominent role in Rumania than in the other Balkan states, but it was always in the background as a defender of law and order. In times of crisis or of transition, a general often appeared as head of the government; the Antonescu dictatorship was the culmination of the army's participation in politics.

Despite the multitude of parties and the general political confusion, five major currents, which successively dominated Rumania, can be discerned: the Liberal, the Peasantist, the Carolist, the Fascist, and the Communist. Chronologically, these currents overlapped and all were present throughout the period. In general, however, the

Liberals dominated the years between 1922 and 1928. The National Peasants came to power in the latter year and were in complete control for about two years. After 1930, although they formed a government as late as 1933, their position was completely undermined by the depression, by Carol II's activities, and by internal weaknesses. Carol reigned from 1930 to 1940. The first three years, during which he was establishing himself, were altogether muddled politically; eight cabinet crises arose between June, 1930, and December, 1933. From 1933 to 1937 the Liberals, under Gheorghe Tătărescu, were again in power, but they were scarcely the party they had been under the Brătianus and were overshadowed by the king. After 1937 Carol broke up the political parties and instituted a royal dictatorship. He was ruined by the international developments which led to the loss of Bessarabia, Northern Bucovina, Northern Transylvania, and Southern Dobrogea. Marshal Ion Antonescu came to power in 1940, initially with the support of the Iron Guard, and maintained a military and fascist dictatorship until Rumania's defeat in 1944. The first governments following the armistice were coalitions, but after March, 1945, the Communists held effective power in the nominally coalition cabinet of Petru Groza.

This division of the years since 1922 into five periods, each with its dominant political current, is, of course, somewhat arbitrary. It oversimplifies the complexity of the actual political scene, and at the same time is apt to give a false impression of coherence and distinctness to these selected currents. All the parties had certain points in common, arising from the nature of Rumanian society. Parties out of power tended to raise the same objections and complaints; when they came into office they began to pursue the same practices as their predecessors. The same clichés—and this is especially the case in the agrarian question—reappear in the literature of all parties. In addition, there was a steady flow of individuals, for opportunist or other reasons, from one party to another. Nevertheless, with all these limitations, the division used here does appear to correspond to the main lines of development in the segment of Rumanian history under consideration.

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VI

THE LIBERAL PERIOD, 1922–28

Survey of Political Events

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RUMANIAN politics did not really "return to normal" until Ion I. C. Brătianu and the National Liberal party took office in January, 1922. The coalition government under Vaida Voevod, which had come in as a result of the first postwar elections in the autumn of 1919, had been arbitrarily ousted by the king in March, 1920,[1] and the war hero General Averescu was called to form a government. Averescu, who had widespread popularity among the troops and was of peasant origin, appears to have played a double role. In 1918 he had formed his People's League as a rallying point against the established corruption and inefficiency of the old parties; he had even engaged in negotiations with the extreme Left.[2] In 1919 he had temporarily joined the Vaida government; on his political campaigns he had promised five hectares of land to every peasant cultivator, a demagogic promise quite impossible of fulfillment. When he came to power, however, as leader of his People's party, it was as the restorer of order, or, as he said, "the last reserve of the Rumanian bourgeoisie."[3]

If the Averescu movement can be said to have had any leading idea at all, it was, as General Cantacuzino put it, that the reforms which were required could not be carried out by the old Liberal party

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[1] For the circumstances surrounding the fall of the Vaida government see above, p. 27. According to the Liberals in 1922, the Vaida government collapsed because of a rising bolshevist current: "public opinion demanded General Averescu." *Istoricul Partidului Naţional Liberal de la 1848 şi până astazi* (Bucarest, 1923), p. 226. While there was doubtless a great deal of social unrest at this time, especially since the Socialists had refused to recognize the 1919 elections, there seems to be no reason to doubt that the downfall of the Vaida government was a direct result of collusion between King Ferdinand and the landowners to check Mihalache's proposed agrarian bill.

[2] According to the socialist Titel Petrescu (*Socialismul în România*, p. 314), after the armistice Averescu had consulted with the socialists on the prospects of collaboration and had even discussed the possible overthrow of the monarchy.

[3] L. Trotsky and Ch. Rakovsky, *Ocherki politicheskoi rumynii* (Moscow, 1922), p. 126. In a debate in the chamber Mihalache inveighed against Averescu's group: "Your party is a heterogeneous conglomeration, without a program, without a clear vision, and without consistency. Your party is based solely on the popularity of General Averescu, and will last only as long as that popularity endures. . . . You are purely and simply covering troops for the old parties of the ruling classes." Mihalache, *Partidul Ţărănesc în politica ţării* (Bucarest, 1925), pp. 17–18.

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but only by a new and popular force united around a man representing the "principle of discipline."[4] This yearning after discipline and order usually manifested itself in all parties when once they came to power, but was especially noticeable in those men or groups who were in office, not through the operation of the electoral system—however unreliable it may have been—but through some special circumstance. General Radescu, who was Prime Minister in the winter of 1944–45, was the last and most pathetic example. This call for discipline was an attempt to compensate for Rumania's underlying political instability. In most instances it was directed against the Left and the doctrine of class warfare. 175 665

Elections were held in May, 1920, and produced, not unexpectedly, a resounding success for Averescu's party, which obtained 209 out of 369 seats in the chamber. Averescu had made an electoral pact with Take Ionescu and had been joined by a splinter group of Transylvanians under the poet and subsequent fascist, Octavian Goga. He was also supported by a number of Conservatives and Liberals who, it was unkindly observed, felt the need of finding new bottles for their old wine. There is also evidence, however, that he did attract a fairly large popular vote from the peasants.[5] The new cabinet included Take Ionescu as Foreign Minister, and Nicolae Titulescu, well known later in the League of Nations, as Minister of Finance. The Conservative landowner Constantin Garoflid was Minister of Agriculture and Domains, and the sinister and cynical Constantin Argetoianu, an accomplished election manipulator, was Minister of the Interior. The position of the National Liberal party at this time is not altogether clear. While Averescu had attacked the Liberals, they were willing to accept his election. Doubtless they were not reluctant to stay in the background until the storms of popular discontent had been subdued.

664 The two principal actions of the Averescu government were the agrarian reform law of 1921, already discussed, and the suppression of Left-wing activity. In October, 1920, an abortive general strike was crushed, and the socialists who had voted for affiliation with the Third International arrested.[6] Tension aroused by the general strike and its suppression was augmented by a bomb explosion in the Ru-

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[4] *Ibid.*, p. 18. The position of some of the men in Averescu's group, notably Manoilescu, came to be known as neoliberalism and provided a transition from the policy of the old Liberals to the leading ideas of the Carolist period.

[5] Mihalache admitted as much, saying that in 1919 a great many peasants had confused General Averescu with the Peasant party and thought that he was working with the peasants against the landlords. *Ibid.*, p. 17.

[6] For further discussion of socialist activities at this time see below, pp. 246–247.

664 manian senate on December 9, 1920, which killed several persons and led to a temporary state of siege in Bucarest. This type of violence was less characteristic of Rumanian than of Bulgarian or Serbian political life, but was a foreshadowing of the political degeneracy of the 1930's.

●665 175 Having served his purpose as man of the hour, Averescu's position gradually deteriorated in 1921, partly because of blunders in the cabinet but largely because the various groups which had installed him now deserted and turned against him. The Liberals, who had accepted him, withdrew their support and retired from parliament, on the rather disingenuous grounds that the government was not representative and had mishandled the Liberals' land reform. Whatever the occasion, it was apparent that with the passing of the postwar turmoil the Liberals were prepared to resume their traditional leadership. General Averescu resigned on December 17, 1921. Take Ionescu attempted to form a cabinet but failed to obtain a vote of confidence. On January 19, Ion I. C. Brătianu took over the government.

With the exception of an interlude between March, 1926, and June, 1927, the Liberals were in office from 1922 to 1928. They retained a hold on the key administrative and financial posts and exerted a decisive influence over King Ferdinand in his last years. Perhaps their strongest bulwark was the dominating personality of Ion I. C. Brătianu. This masterful old politician, who had fought stubbornly throughout the war and the peace negotiations for the realization of Greater Rumania, ruled his party and the country in an arbitrary patrician manner, and until his death the Liberals were firmly established.

On the other hand, there is little evidence that they commanded extensive popular support during these years, practically none outside the Old Kingdom. Part of their success lay in the failure of the other parties to create or maintain a united and effective opposition. Although the Liberals did resort to crude electoral manipulations and to repressive police measures, usually in connection with periodic Communist scares, they were still an old-fashioned party and had not developed these procedures to the unhappy perfection now so familiar.[7] Under sufficient pressure they preferred to retire rather than to overthrow the constitution. But it required several years for the National party of Transylvania and the Peasant party of the Old Kingdom to form the consolidated opposition which ultimately dislodged them.

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[7] A somewhat sensational glimpse of the dark side of the Liberal administration is given in C. G. Costa-Foru's *Aus den Folterkammern Rumäniens* (Vienna, 1925), an exposé of the terrorist methods employed by the Rumanian secret police, the *Siguranţa*.

In March, 1922, the Liberals made an election in which they con- 665
trived to win 260 seats, as against 17 in the 1920 elections (Gen- 175
eral Averescu's party dropped to 11 seats). The opposition parties challenged the validity of the elections and withdrew from parliament.

A sharp controversy arose over the coronation of King Ferdinand on October 15, 1922. The opposition parties contended that the coronation should be sponsored by a coalition of all parties. Despite the fact that the coronation was held in the Transylvanian town of Alba Iulia to celebrate the unity of all Rumanian lands, the Transylvanian National party boycotted the ceremony.[8]

When the Liberals called for the March, 1922, elections they an- 642
nounced that one of the main tasks of the new assembly would be the preparation of a new constitution. Following the coronation, they proceeded to push through this act in the session opening in November. The legality of such a one-party procedure was denied by the opposition as contrary to the guarantees of autonomy in the original contracts made between the representative bodies of the new territories and the government of the Old Kingdom.[9] The opposition parties temporarily attended the parliamentary debates on the constitution, but the tumultuous sessions did not block its passage in March, 1923.

The 1923 Constitution was based on that of 1866, which it followed in many respects.[10] Because of the acquisition of such extensive new territories, a new constitutional document was deemed necessary. The following are some of its more controversial points:[11]

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[8] It is illustrative of the antagonism created by the centralising policy of the Liberals that none of the chief figures responsible for the union of the new provinces with the Old Kingdom was present at the Coronation.

[9] The arbitrary action of the Liberals was particularly resented in Transylvania, where the National party was undoubtedly the strongest political group. The regional autonomy of the province had already been infringed upon when General Averescu quite illegally abolished the Transylvanian Consiliu Dirigent in 1920.

[10] The 1866 Constitution, closely patterned after the Belgian model, had been significantly amended on three occasions before 1923: 1) In 1879, in accordance with the stipulations of the Congress of Berlin, religious beliefs were removed as an obstacle to naturalisation. This amendment was introduced to prevent the exclusion of Jews from citizenship. 2) In 1884 the number of electoral colleges for the chamber was reduced from four to three, thus broadening the franchise somewhat for the benefit of the growing urban middle class. 3) In 1914 the Liberals initiated measures for electoral and agrarian reforms. This work, which was delayed by the war, was carried out by the constitutional assembly in Iaşi in 1917. Article 19 was amended to permit land expropriation for purposes of agrarian reform; Articles 57 and 67 established universal suffrage and proportional representation for the chamber.

[11] For a French translation of the text with commentary see F. R. and P. Dareste, *Les Constitutions modernes* (4th ed., 6 vols., Paris, 1928–34), II, 855 ff.; for a bibliography of Rumanian commentaries, *ibid.*, III, 223–228. An examination of some of its shortcomings was made by David Mitrany, "The New Rumanian Constitution," *The*

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6) District and local councils had both elected members and members 642
introduced by the national assembly. The ratio of the two types of members was not fixed (in the original draft of the new constitution, appointed members were limited to one-fifth the total) and permitted an indeterminate amount of central control over local councils.

7) The powers of the crown, while confined to those enunciated in the constitution, were considerable and included the right to summon, prorogue, and dissolve the assembly, appoint and dismiss ministers, and sanction or veto laws. In many constitutional monarchies the crown has similar powers, which are formalized or limited by custom; in Rumania the crust of tradition was quite thin and the crown was actually in a position to exert a great deal of influence.

8) "In case of danger to the state, martial law, partial or general, may be established by means of a bill" (Article 128).

In summary, the constitution was relatively brief (138 articles), vague on many points, and left important details to be determined by subsequent laws. There were a number of loopholes whereby civil rights guarantees could be evaded and arbitrary executive action imposed. To be sure, in most constitutions qualifying clauses recognize the state's right to take exceptional measures for its own preservation, but whereas these exceptional measures are usually understood to be applicable only in cases of emergency, the situation in Rumania was such as to make exceptional measures—arrests without warrant, violation of privacy of correspondence, and prolonged states of siege—more or less standard practice. The omissions and evasions in the Rumanian constitution were of less importance than the spirit in which the document was interpreted.

Although the opposition parties hotly attacked the Liberals, denounced 175
the new constitution, and boycotted the assembly, they were 665
by no means united in their actions or purposes; in 1924 and 1925 there was a frequent regrouping of party alignments. The most important question was the course to be taken by the National party of Transylvania. All parties desired to gain the support of this well-organized body; since it had been formed as a regional Rumanian party in opposition to the Magyars, rather than on a social basis, its position in the political system of united Rumania was somewhat ambiguous. In 1920 General Averescu had tried without success to gain its adherence; when Brătianu came to power in 1922 he offered Maniu three portfolios in the cabinet but Maniu refused the offer.

In June, 1924, it was announced that the National party of Transylvania and the Peasant party had officially united, but shortly

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175 thereafter they drifted apart again.[13] In January, 1925, the National
666 party of Transylvania temporarily fused with the historian Iorga's
National Democratic party (to which Argetoianu now belonged). In
May, 1925, a United Opposition, including Iorga's group, Maniu's
Transylvanians, and the Peasant party, was temporarily established
and demanded the resignation of the government. Averescu did not
join the opposition bloc and it was rumored that he had a secret understanding with the Liberals to succeed them. In elections to the newly
created Chambers of Agriculture,[14] 44 out of 75 districts were won
by the United Opposition, 27 by the government, and 4 by the People's party. The tide seemed to be turning against the Liberals.

One reason the Liberals were able to maintain their position in the
face of a growing if uncoordinated opposition during the years from
1922 to 1925 was the perennial fear of bolshevism, which in turn
served to weaken or discredit all radical or reformist movements. On
648 the international level Soviet-Rumanian relations were very bad be-
175 cause of the unresolved Bessarabian dispute. A conference held in
Vienna in April, 1924, failed to bring any agreement between the
two disputants.[15] Each side accused the other of plotting aggression
and each took measures which aggravated the tension. The creation
in 1924 of a Moldavian Soviet Republic on the left bank of the
Dniester and ominous Soviet speeches forecasting the ultimate reunion of all Moldavians increased Rumanian anxiety. At the same
time, in February, 1925, Vintilă Brătianu, Minister of Finance and
brother of Ion I. C. Brătianu, stated his opposition to returning
Wrangel's fleet to the U.S.S.R. because of the danger of a strong
Soviet Black Sea fleet, and announced that negotiations were in
progress for the cooperation of British, French, and Rumanian capital in the establishment of an armaments and munitions factory in
Rumania.[16] Such an announcement obviously matched the Soviet
thesis that the Western bourgeois powers were using the eastern European states as advanced bases for an assault upon the U.S.S.R.

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[13] For a discussion of the union of the Transylvanian National party and the Peasant party see below, pp. 140–141.

[14] Chambers of agriculture were established in each district in 1925, with a mixed membership of elected and appointed members. In addition to their agricultural functions, they elected members to the senate. They soon became political instruments and were of very little value in the improvement of agriculture.

113 [15] According to Louis Fischer, on the basis of information obtained from Christian Rakovsky, Litvinov and Trotsky were willing to accept the loss of Bessarabia, but Stalin, Rakovsky, and Chicherin were not. The latter hoped that by means of the Bessarabian issue they could "keep Rumania perennially on tenterhooks." Louis Fischer, *Men and Politics* (New York, 1941), pp. 134–135.

[16] *Times* (London), February 7, 1925.

648 175 In July, 1924, by order of the Commander of the Second Army Corps, the Communist party in Rumania and its associated organizations were dissolved for having violated state of siege regulations and for endangering the security of the state.

668 175 Bessarabia naturally suffered badly in the conflict; reports of foreign observers in these years present a desolate picture of rotting commerce, depressed agriculture, miserable administration and widespread fear and disaffection. The province had been continuously under martial law since 1919. The Rumanians reported frequent Soviet raids, plots, and instigations to violence; the Russians reported brutally suppressed peasant uprisings. Both were taking place. In the notable rising at Tatar Bunar in 1924, which involved a whole village, there is ample evidence of Communist agitation, yet an entire community does not participate in a revolt without serious occasion.

665 175 Tension was not limited to Bessarabia; in December, 1924, some 400 persons described as Communist terrorists were arrested throughout Rumania. In September, 1925, 28 members of committees of "red" unions were arrested in Bucarest. Disturbances, however, were not solely the result of Left-wing activity. Several anti-Semitic outbreaks occurred, with the usual attacks on synagogues and Jewish shops. On October 27, 1924, Corneliu Zelea Codreanu, later the leader of the Iron Guard movement, achieved his first prominence by shooting the chief of police of Iași; he was subsequently acquitted.[17]

Under these circumstances, in which opposition to the government could so convincingly be depicted as anti-Rumanian, the Liberals, self-appointed guardians of Rumanian patriotism, were somewhat strengthened, whereas the Peasants were continually forced to protest their loyalty and to defend themselves against the charge of bolshevism.

At the beginning of 1926, however, the opposition to the Liberals became more intense. The announcement on December 28, 1925, of Prince Carol's renunciation of his right to the crown in favor of his infant son Michael[18] brought protests from the Transylvanian Nationalists and the Peasants. While expressing their continued loyalty to King Ferdinand, they refrained from voting on the bill of renunciation on the grounds that they had not been consulted on the appointment of the regency which was to govern during Michael's minority. It was widely known that Brătianu and Carol had not got

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[17] For the origins of the Iron Guard movement see below, pp. 226–228.

[18] Carol had gone abroad with Mme Lupescu. Upon King Ferdinand's demand that he return, without her, Carol refused and renounced his right to the throne.

175 on well together, and it was generally believed that Brătianu had
665 forced the king to exclude Carol.

[661] Communal elections were held in February in an atmosphere of political excitement. The government, for all its electioneering techniques, did badly, especially in the larger towns. It won only one-third of the seats in the Bucarest municipal council. In Bessarabia the United Opposition won all lists. The government was defeated in most Transylvanian towns, notwithstanding its pact with the Magyar party; it won most of the rural Transylvanian communes through official pressure and the aid of the gendarmerie.

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In March the Brătianu cabinet reached the end of its four-year term. In the last session of parliament it [illegible] a new electoral law, whose unusual provisions were to make Rumanian elections even less representative of public opinion. Deputies had previously been elected on a proportional basis. According to the new act, modeled on Mussolini's law of January 7, 1923, the party gaining a plurality and at least 40 per cent of the votes was declared the majority party: it was to receive, as a premium, half the seats in the chamber plus a number of the remaining seats corresponding to its percentage of the total vote. Thus, a party gaining 40 per cent of the votes would occupy 70 per cent of the seats in the chamber (50 per cent plus two-fifths of the remaining 50 per cent). The remainder of the seats was divided proportionally among the other parties; a party failing to gain 2 per cent of the total votes obtained no representation.

According to the Liberals, there was nothing extraordinary about this law. A bill for electoral reform had been part of the Liberal program and had been stipulated in the 1923 Constitution.[19] In a country with such a multitude of unstable parties it might be argued that the "premium," as it was called, was a necessary device to give the party in office a sufficiently strong parliamentary majority to enable it to carry on its business.

Nevertheless, given the idiosyncrasies of Rumanian politics, the law had two very unfortunate effects. Since it was the practice for the crown to summon a government, which then proceeded to hold, or "make," elections with the aid of the administrative apparatus, the electoral law increased the opportunity for the selected group to swing the elections in its favor. On the other hand, the failure of a party obtaining less than 2 per cent of the votes to gain any repre-

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[19] According to Article 138 of the constitution, the current national assembly (i.e., the Liberal majority) could function after the promulgation of the constitution until the expiration of its mandate. During that period an electoral law was to be passed in accordance with the principles laid down in the constitution.

sentation was a natural incentive for such parties to abandon the 175
parliamentary track altogether. The timing of the law led the opposition 671
parties to charge that it was merely part of the Liberals' 666
plan of grooming General Averescu to replace them, since his party was obviously weak in popular support. There is no question that in 1924 and 1925 Averescu had not cooperated with the other opposition parties but had worked in some measure with the Liberals.

On March 27, 1926, Brătianu resigned amid rumors that he favored 665
General Averescu as his successor. The opposition was still 175
fumbling in its efforts to unite; negotiations between the Transylvanian Nationalists and the Peasant party had broken down again on March 22 over a disagreement on the distribution of cabinet posts. The king, on March 29, consulted the leaders of the Transylvanian National, Peasant, and People's parties and requested a coalition cabinet; apparently the Peasants and the Nationalists agreed. But on the following day, much to their chagrin, King Ferdinand called on General Averescu to form a government.

The reasons for the king's action are not altogether clear. The Nationalists and the Peasants had blundered in not mending their differences earlier and achieving a solid coalition. On the other hand, the king had been responsible for their dismissal in 1920 and was probably quite doubtful of their ability to govern properly and likely to accept the advice of Brătianu. Brătianu of course denied that his party had any agreement with General Averescu but his disclaimer is not convincing. "All we did," he said, "was to prepare the atmosphere in order to bring into power a government which would present a guarantee for the continuity of the work accomplished by us. Apart from this we are the declared opponents of the present government."[20] It was generally believed, and probably correctly, that Brătianu had strongly urged the king to install General Averescu.

Averescu held elections in May. The National party and the Peasants, 661
still unable to achieve fusion, agreed to collaborate in the election. 666
Despite the premium Averescu faced quite a task in overcoming his party's numerical weakness, but he acted resolutely and altogether successfully in one of the more outrageous Rumanian elections. Military officers on active service were appointed as prefects of a number of districts. Circulation of vehicles and persons was strictly controlled. The leaders of the opposition were unable to get in touch with their constituents; even Ion Brătianu was blocked on one trip, and Mihalache was arrested by gendarmes in his own electoral district. Gendarmes supervised public gatherings and were directed to intervene

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[20] *Times* (London), April 21, 1926.

661 if anyone attempted "to excite the people." Political manifestoes and
666 slogans required the approval of the prefect. On the day of the election, numerous opposition delegates were arrested and not permitted to supervise the voting or the counting. There was some violence and a few deaths.[21] Averescu, by these means, obtained 52 per cent of the votes, but under the premium he gained 292 out of 387 seats in the chamber, the Opposition block held 69 seats, the Liberals 16, Cuza's League of Christian Defense (an anti-Semitic formation) 10; the socialists and the Communist-sponsored workers' bloc, having obtained less than 2 per cent of the votes, were not represented.

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175 After the election the National and Peasant parties continued their efforts to unite. In September delegates of the two parties voted for fusion into a National Peasant party with Maniu as president and Mihalache as vice-president. Iorga, however, declined to vote, and the Peasant leader Dr. Lupu opposed the decision. The fusion was confirmed by the general congress held on October 10.

A new crisis arose with the serious illness of King Ferdinand in November, 1926, and the renewed controversies over the succession, Carol's renunciation, and the regency. The National Peasants, who believed that King Ferdinand had been an instrument of the Liberals, were dissatisfied with the succession and were reluctant to regard Carol's renunciation as final. All parties, however, felt that in the king's failing condition the Averescu cabinet was not sufficiently representative to govern alone. Brătianu sounded opposition leaders on the possibilities of forming a national cabinet. General Averescu made several unsuccessful efforts to achieve a coalition with the National Peasants, perhaps in an effort to free himself from his dependence upon the Liberals. Having failed to create a coalition he was obliged to resign on June 3, 1927.

A new "impartial" cabinet under Prince Barbu Ştirbey (a relative by marriage of the Brătianus and periodically proposed as the head of a caretaker cabinet, the last time in 1945) came to office and included some Liberals and Dr. Lupu, who had split with the National Peasants in February and formed an independent peasant group. After negotiations with the National Peasants, three members of Maniu's party joined the coalition. The principal object of this cabinet, which was in effect a temporary Liberal-National-Peasant coalition, was to preside over new and free elections. However, negotiations between Maniu and Brătianu broke down. Maniu refused Brătianu's proposal for a common list of candidates in the coming election with a majority of the seats going to the Liberals. The Liberals resigned 665 from the Ştirbey cabinet on June 21, stating that it had failed in its 175 mission.

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[21] The electoral abuses were brought up by opposition leaders in parliamentary interpellations after the elections.

On June 22 the king called Brătianu, who formed an all-Liberal government, with the addition of Dr. Lupu, Argetoianu, and Titulescu, and issued a manifesto:[22]

> The mission of the Government headed by M. Barbu Ştirbey to achieve an understanding and collaboration between the various political parties has not succeeded, and because of the differences of views in the midst of the cabinet, the electoral campaign threatened to become the occasion of agitation favoring political passions and subversive currents. In these conditions, a government was required which could be upheld by a solidly organized and experienced party and could assume entire responsibility for the situation. His Majesty the King has entrusted us with this heavy responsibility. We desire the sincere application of the laws guaranteeing the liberty of elections. We will not permit the disturbance of order nor the violation of law, and will not tolerate anarchist tendencies. Closely united with our collaborators in the parties which assure us their co-operation we will carry out our program which the country knows well.

This manifesto is a nice epitome of the Liberals' politics. Presenting themselves as the solid defenders of the law and the constitution, they had actually achieved, with the cooperation of the king, a very neat coup. By breaking the Ştirbey coalition and relying on the king's mistrust of the opposition, Brătianu had driven the National Peasants back into the wilderness without the slightest popular justification. The references to "subversive currents" and "anarchist tendencies," while conjuring up the specter of communism, cannot be taken very seriously unless the whole mass of the peasantry was to be considered subversive. It is not surprising that the National Peasants should have seen all the complicated political maneuvers of those years, including the schisms in their own ranks, as Brătianu machinations.

The Liberals dropped their talk of a national cabinet, and conducted the elections of July 7, 1927, in the usual manner; they won 298 out of 387 seats in the chamber; Dr. Lupu was rewarded for his cooperation with 22 seats. The National Peasants managed to obtain 49; Averescu's People's party and Iorga's group failed to obtain even the minimum of 2 per cent of the votes. The political picture

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[22] *L'Économiste roumain* (Organ de l'Institut Économique Roumain et de l'Association des Banques Roumaines) (July 1, 1927), p. 171.

665 was reverting to a two-party system, in the Rumanian style, with
175 the National Peasants the only significant opponents of the Liberals.

Two deaths, however, were to undermine the position of the Liberals. On July 20, 1927, King Ferdinand died;[28] he was succeeded by the five-year-old Michael under a regency comprising Ferdinand's second son Prince Nicholas, the Patriarch Miron Cristea, and the first president of the Court of Cassation, Buzdugan. All parties recognized the regency but Maniu immediately demanded the resignation of the Liberals and new elections. With the death of Ferdinand, the Carol issue again insinuated itself into the conflict between the National Peasants and the Liberals. The National Peasants maintained a somewhat equivocal attitude toward the regency and while not demanding Carol's return, gave no indication that they would not welcome it. Carol, on his part, was issuing ambiguous statements from abroad, saying that he was making no plans for return but that if the people called him he would not be deaf to their appeal. The government accused the National Peasants of duplicity and prohibited their political meetings. Maniu responded by a call for a popular movement to oust the Liberals by all legal parliamentary and extraparliamentary means. In October, 1927, Mihail Manoilescu, who had been associated with General Averescu's People's party and who was to blossom into a well-known political economist, was arrested by the government on the charge of carrying political letters from Carol to Rumanian opposition leaders. The government brought him to trial, but he was acquitted, much to the Liberals' discomfiture. During the trial the government quoted letters to show that Carol had abdicated of his own will; Manoilescu in his defense maintained that Ferdinand had wanted Carol to return but that efforts at reconciliation had been thwarted by the Brătianus.

On November 24, 1927, Ion I. C. Brătianu died. With his death, following close upon that of the king, the Liberals began to lose their grip, although they remained in power for another year. There was no change in the government; Vintilă Brătianu became head of the cabinet and leader of the party. Although he had been a conscientious minister and had determined the party's economic policy, he lacked the political stature of his elder brother. Feeling the insecurity of his position, he proposed collaboration with the National Peasants, on the basis of an equal division of cabinet posts and a common list in new elections with 55 per cent of the seats going to the Liberals.

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[28] For a resumé of events after Fedinand's death see "La Situation politique en Roumanie après la mort du roi Ferdinand I," *M.A.B.* (*Mezinárodní Agrární Bureau*) *Bulletin du Bureau International Agraire*, No. 1 (Prague, 1928), pp. 55–69.

Maniu naturally refused the offer, and Vintilă Brătianu declared his 175
intention to continue as head of the government. 665

In the winter and spring of 1927–28, the National Peasants extended their attacks on what they called the usurping government. Maniu embarrassed the government in its efforts to obtain a foreign stabilization loan by declaring on December 22, that his party disapproved of the new budget and that a government without the support of the nation was not in a position to receive foreign loans.[24] In January, 1928, the National Peasants sent representatives abroad, to Paris, London and Berlin, to persuade foreign opinion that the Liberals lacked national approval.

Large protest meetings were held throughout Rumania, climaxed 175
by a massive peasant demonstration in Alba Iulia on May 6. This 662
demonstration aroused great excitement and some apprehension, but it ended in a slightly ludicrous vein. Thousands of peasants came from all over Rumania, though principally from Transylvania, to attend a dramatic denunciation of the Liberals, but at the conclusion of the rally the leaders were at a loss as to what should be done next—a problem that always plagued the Peasant leaders. Some of the more ardent ones wanted to prepare a "March on Rome," and indeed a column of peasants did march off in the direction of Bucarest, but dispersed on the way. Other leaders favored a moderation in sharp contrast to the violence of the oratory, which had blasted the government as the "enemy of the people." Most humiliating, the National Peasants were forced to appeal to the government to provide rail transport to return the peasants to their homes. But despite this touch of *opéra bouffe*, the demonstration was an impressive display of the opposition's ability to call out the peasantry.

It is quite possible, however, that the government was less worried by the direct threat of these measures than by their effect in increasing the difficulty of obtaining a stabilization loan, the principal preoccupation of Vintilă Brătianu during his year in office and his principal excuse for remaining in power. In the summer of 1928 the loan threatened to be the rock which would wreck the government. In July Vintilă Brătianu convoked the chamber in extraordinary session to report on his negotiations and to get authorization to obtain an external loan of up to $250,000,000. The National Peasant depu-

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[24] It should be added, however, that Maniu had not blocked discussion or voting on the budget. On December 27 the National Peasant representatives Madgearu and Popovici, while repeating that the Liberal government did not have legal authority to contract foreign loan, stated that if it did succeed the National Peasants would not subsequently refuse to recognize the undertaking, but would respect engagements taken, however unjustifiably, in the name of the state.

175 ties boycotted the assembly, formed their own gathering, and resolved that laws passed by the Liberal chamber could not bind the Ru-
663 manian nation. Vintilă Brătianu tried to persuade the regency that he should remain in office until the loan negotiations were completed. Ultimately, his delays and in particular his request that even after the completion of the negotiations he be permitted to retain office to supervise the application of the loan brought him into conflict with the regents, who were anxious to calm the political situation. Overestimating his position, he resigned on November 3 and dropped the negotiations.

To his surprise his resignation was accepted. The regents consulted Maniu and Averescu on the formation of a coalition cabinet; Maniu would make no agreement except on the basis of new and free elections. The regents requested Titulescu to form a coalition cabinet; Titulescu failed. Finally, the regents were obliged on November 9 to call upon Maniu to form his own cabinet.

Thus ended the long regime of the Brătianus. The combination of two failures contributed to their defeat. Politically they failed to obtain the mass support of the peasants, necessary under universal suffrage, but were unwilling, or unable, to adopt measures to prevent the rise of an effective opposition. Economically, they were unable to restore either the national finances or the condition of agriculture. The stabilization loan and the bad harvest of 1928 directly contributed to their downfall, but the continuing economic uncertainty and instability of the postwar years always gave the opposition a long stick with which to belabor them.

Composition and Political Principles of the Liberals

665 Although the National Liberal party[25] was pleased to trace its origins to the group of young Rumanian intellectuals who had been inspired by the ideals of the French Revolution of 1848, the temper of the Brătianu party in the 1920's bore a far greater resemblance to the rigid and narrowly conceived liberalism of Guizot in the latter years of the July monarchy. In both cases there was the same curious combination of a not unimpressive austerity with the crassest manifestations of the spirit of "enrichissez-vous." The limitations of the Brătianus' conception of political liberty should be evident from

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[25] This was the party's official title. The word national has usually been omitted in this paper to avoid possible confusion with the term, National Peasant, which indicates the actual fusion of two distinct parties.

the preceding section; they consistently rigged elections, were masters at backstage maneuvers, exerted a decisive influence over King Ferdinand, and maintained the unholy reputation of the gendarmerie. In their economic policy they displayed few of the characteristics normally associated, at least in Anglo-Saxon countries, with classical economic liberalism. The state took the lead in economic activity through monopolies and subsidies, tariffs were highly protectionist, agriculture was subjected to export duties, and foreign capital was viewed with marked suspicion.

It is perhaps too easy to dismiss the liberalism of the Liberals as pure hypocrisy having no relation to their actual practices, or to conclude, as did Mihalache, that "the Liberal party has had the tactic of bringing to its bosom the most advanced elements and of uniting them with the most conservative and reactionary elements. For the advanced elements it has one task: to write principles into the program; for the reactionary elements it has another: not to carry them out!"[24] The divergence between creed and reality cannot be attributed solely to hypocrisy and double-dealing. The Brătianus, for all their highhanded and arbitrary ways, were not unprincipled, nor are the distortions of Rumanian liberalism simply a product of personal ambitions and selfishness.

Historically, the two factors which gave Rumanian liberalism its particular bent were nationalism and the absence of a middle class. From the very beginning the Liberals were ardent nationalists and desired above all to transform Rumania into an independent modern state. A liberal creed was attached to this nationalist aim largely because of the general association in the mid-nineteenth century of liberalism with the various European national liberation movements; the Rumanian principalities in 1850 were surrounded by three autocratic empires, and it was altogether natural that liberalism should have been regarded as a weapon in the movement for independence. At the same time, liberalism in the West was intimately related to the rise of the urban bourgeoisie. In Rumania, as this element was conspicuously absent, the state was the only organ which could assume the functions of this bourgeoisie. Hence from the very outset the Liberals relied upon the state as a principal medium for economic and political progress.

In its composition the Liberal party was based originally, as were all the early political formations, upon the landowning class, perhaps primarily upon the smaller landowners, who were in opposition to the great boyars but who were scarcely representatives of a bourgeoisie. In the course of time it gained additional support from the growing professional and bureaucratic groups, which made their appearance with the development of the state. With their interest in commerce and finance the Liberals obtained control of the principal banking institutions, such as the National Bank, founded in 1880, and the Banca Românească, founded in 1911. These institutions, along with the possession of important administrative posts, came to be the real strongholds of the party. Because of their predominantly nationalist outlook and their ambition to modernize the Rumanian economy, the Liberals desired to create a strong national industry. Since a nascent industry was faced with strong foreign competition, the Liberals were high tariff advocates and disciples of Friedrich List. Moreover, although Rumania was sorely lacking in capital, mistrust of imperialism—which in any Balkan state was not altogether unfounded—led the Liberals to adopt a very grudging attitude toward foreign capital. By the beginning of the twentieth century the Liberals had already formulated the phrase which was to be associated with Vintilă Brătianu's economic policy: "prin noi înșine"—through ourselves.

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[24] Mihalache, *op. cit.*, p. 27.

While the development of Rumanian liberal principles does, then, find at least a partial explanation in the conditions of the country, it led to some very serious consequences. Since the state, which was controlled by a narrow oligarchy, was the principal and perhaps indispensable vehicle for economic progress, business and bureaucracy became identical. Aspirants to financial and to political success scrambled up the same ladder. Just as the state represented a concentration of political power in the hands of a restricted number, so Rumanian industry, instead of developing through the interplay of competitive producers, was created by fiat and state subsidy and was highly concentrated. These circumstances favored the worst forms of corruption. The size of the individual's income did not depend upon his productivity or even upon his economic acumen, but was more easily increased through influence, deals, and state-granted monopolies. At the same time, the total national income was so low that the vastly expanding bureaucracy which accompanied the growth of the state was inevitably underpaid and was driven to graft, bribes, and the concoction of new variations on the traditional methods of obtaining bakshish.

The main lines of the Liberal party's policy and outlook had been established before the First World War, and the Liberal regimes between 1922 and 1928 attempted to continue the party's traditions under the altered circumstances of the post-1918 world. In this they were faced with a dilemma, partly of their own making. In the narrow 665 political life of the Old Kingdom, with its restricted franchise and small ruling class, the Liberals had been most successful in retaining power for the greater part of Rumania's independent existence; with the Conservatives as a foil they were even able to appear as the supporter of progressive forces, and did indeed attract a number of peasant leaders and socialists into their ranks.

With the agrarian reform, however, and the appearance of a new electorate under universal suffrage, their situation became less comfortable. It was not that they were driven to the Right—on the whole their attitude showed a marked consistency—but that their actual policy now appeared in more obvious contrast to their theoretical principles. After the agrarian reform they could no longer pose as opponents to the boyars; they became quite clearly the advocates of industry as opposed to agriculture. Since the great majority of the population were peasants, universal suffrage was bound to produce mass parties opposed to the financial and industrial domination of the Liberals, whose only defense was a perversion of the electoral process. Under these circumstances, it is rather surprising that the Liberals should have been the agents for the introduction of both the agrarian reform and universal suffrage. Two explanations may be offered. In the first place, the Liberals' initiative in these matters was by no means as great as they proclaimed it to be. They were intelligent enough to see which way the wind was blowing and realized that an attempt to block electoral and agrarian reform would merely produce a violent social upheaval. Their initiative was largely in adapting themselves to the course of events. At the same time, a closer examination of their action shows that they attempted to avoid the full implications of these reforms. Their dilatory tactics in the history of the agrarian reform have already been described. The same evasiveness is apparent in their electoral policy.

In 1918 Ion I. C. Brătianu did come out for electoral reform, but 665 his intention seems to have been the unification of all electors in one 666 college rather than three, not universal suffrage. The franchise ap- 642 parently would have been limited to literates, which would have excluded the greater part of the peasantry. In 1914, according to Mihalache,[27] Constantin Brătianu, third brother of Ion I. C. Brătianu and leader of the Liberals in the last decade, declared universal suffrage to be an aberration. The 1917 amendment, passed under the pressure of social unrest, provided for "proportional" representation. The Constitution of 1923 omitted this term, and the electoral law

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[27] Mihalache, *op. cit.*, p. 28.

3: Roberts S-4 (no date)1951 EDl Rumania EDl

●665 of 1926 introduced the system of the majority party premium. In
666 these developments, as Mr. Mitrany has observed, one can detect a
642 "subtle reactionary alchemy."

665 On the other hand, the Liberals' agrarian and electoral policy may not have been altogether opportunistic. There is ample reason to believe that they really regarded western European society as a model for Rumania. Many of them had been trained in Paris and in their personal lives they strove to be as Western as possible. Hence, they probably quite honestly felt that ultimately the western European peasant cultivator who enjoyed the franchise should find his replica in Rumania. Unfortunately, this goal had little to do with present Rumanian realities, and the Liberals were confronted with the alternative of Balkanizing their Western ideals or of being overthrown by them. They chose the former course.

The disparity between liberal theory and Liberal party practices in the post-1918 period appears clearly in a lecture on the "Liberal Doctrine" delivered in 1923 by I. G. Duca, who later became leader of the party on the death of Vintilă Brătianu.[28] After taking pains to refute the prevalent belief that between Rumanian parties there were only differences of persons and ambitions, not of conceptions and doctrines, Duca defined the Liberal credo in the following formula: "Progress in all forms but within the framework of the concept of individual property." Progress, however, could be realized only "through order, through democracy, through nationalism, and through social harmony." By order he meant the avoidance of anarchy, not the absence of change. He defined democracy as government of the people, by the people, and for the people, and in antithesis to demagogy. While opposing excessive or exclusive nationalism, he held that progress was possible only through the developments of national forces; economic nationalism expressed the instinct of self-preservation and was a means "to safeguard the material individuality of each nationality, to prevent its destruction by elements superior in strength or in organization." Collaboration with foreign powers or even with foreign capital was not excluded but it should be on terms which corresponded with national interests. He regarded social harmony as a necessary counterbalance to the doctrine of class struggle.

Duca then went on to show that liberalism was not a rigid doctrine, but had adapted itself to changing circumstances. It had abandoned the classical idea of property as sacred and inviolable and had accepted the principle of property as a social function, allowing for such measures as expropriation and the nationalization of the subsoil. In the field of political economy Rumanian liberalism had

I G. Duca, "Doctrina Liberală," *Doctrinele partidelor politice*, pp. 103–110.

3: Roberts S-4 (no date)1951 EDl Rumania EDl

dropped Manchesterian laissez faire and had recognized the right of state intervention to protect the weak against the strong. "Interventionism has arisen from the complexity of modern economics not merely as a condition of progress but as a means of avoiding violent conflicts and anarchy." Finally, in the social realm, Rumanian liberalism had advanced beyond unlimited individualism to the recognition that the individual had responsibilities for the preservation of justice and general equilibrium.

Duca recognized the far-reaching implications of these modifications and granted that "To-day there exists an antinomy between the formulae of classical liberalism and those of modern liberalism. . . . Liberty is not a sufficiently broad or inclusive concept to embrace everything which the present liberal doctrine represents." But, he maintained, the Liberal party was right in keeping its name, as a symbol forever associated with the renaissance of the Old Kingdom and the creation of Greater Rumania.

The difficulties of Duca's exposition are obvious. In so far as he defined liberalism along recognizable and customary lines, it clearly did not describe the Rumanian Liberal party. In modifying the doctrine to explain the interventionist and "state socialist" policies of the party, he so altered it that there was little reason—beyond sentiment and patriotism—to label the result "liberal." Understandably, he did not become involved in the even more difficult task of providing a liberal explanation for the electoral practices of his party.[29]

The divergence between liberal theory and the realities of the administration was too great to be overlooked, but was usually explained on the grounds of expediency. For example, in 1924, I. N. Angelescu, general secretary of the Ministry of Industry and Commerce, justified state economic intervention as a temporary necessity:

> As soon as the elements of the national wealth have developed, intervention of state economic policy is quite useless. National output would reach a maximum, and its utilization on the international market would be achieved in the best conditions without the state's intervention. Until then, however, the state's economic needs and far-reaching aims may be in contradiction to the momentary needs of economic freedom.[30]

[29] Rumanian Liberals have frequently resorted to the theory, so ably developed by the Italian philosopher, Benedetto Croce, that liberalism is not really a party program but rather a regulative principle standing above parties, with the duty of assuring that political and social changes are made in conformity with the requirements of liberty. Whatever the virtues of this theory, it is obvious that the Rumanian Liberal party was scarcely in a position to be considered as a detached regulative principle.

[30] I. N. Angelescu, "The Increase of Production and Its Influence on the National Currency of Roumania," *Correspondance économique roumaine*, published by the Rumanian Ministry of Industry and Commerce (January–February, 1924).

● 665 A more realistic defense of the role of the Liberal party as the leading exponent of the Rumanian bourgeoisie was provided by Stefan Zeletin.[31] Zeletin, however, did not approach the subject from the point of view of liberal principles but employed a quasi-Marxian analysis, though for purposes that were certainly not Marx's. He contended that Rumania was actually in the process of duplicating the course of capitalist development which had taken place in the western European states a century or more earlier. In his view capitalism passed through three stages, each with its own political and social system:

a) commercial capitalism—mercantilism
b) industrial capitalism—liberalism
c) finance capitalism—imperialism.

Rumania was now in the mercantilist phase, which implied energetic state intervention in the economic life of the nation.[32] High protectionist tariffs were justified as proper mercantilist measures, as was the fight against foreign capital.

The leading force in Rumania's economic development, according to Zeletin, had been the smaller boyars who, in the nineteenth century, had entered commerce and finance and by the twentieth century had become a real bourgeois class. He identified the history of the Rumanian bourgeoisie with the history of the Liberal party, which was and remained the "classical party of liberalism." As for the unhappy condition of the peasants, Zeletin held that a period of peasant misery was to be expected as a necessary phase in the transition to capitalism; just as the expansion of the British economy at an earlier date had been accompanied by enclosures and the destruction of the yeomanry, so the backward mass of the Rumanian peasantry had to suffer in the rise of Rumanian capitalism. The peasant was destined to play a secondary role in social movements and none at all in politics. In short, Zeletin was a stout defender of the Rumanian bourgeoisie, whose standard-bearer was the Liberal party, as an indispensable and inevitable element not only of past but of future progress. He condemned the Socialists on the grounds that since Rumanian capitalism was still in the process of formation and had

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[31] Zeletin's two most important studies, which led to lively controversies in the 1920's, were *Burghezia română, origina şi rolul ei istoric* (Bucarest, 1925), and *Neoliberalismul* (Bucarest, 1927). An extensive criticism was made by the Social Democrat Şerban Voinea in *Marxism oligarhic* (Bucarest, 1926). A brief appraisal of Zeletin along with other Rumanian political and economic writers is given in Ion Veverca's review article, "L'Évolution économique de la Roumanie, *Archives pour la science et la réforme sociales*, 16, Nos. 1–4 (Bucarest, 1940), 523–537.

[32] Zeletin, *Burghezia română*, p. 19.

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a revolutionary character, "a proletariat pursuing its own revolutionary goals is nonsense." 665

Although Zeletin's thesis, because of its callousness and low regard for the potentialities of the peasantry, could scarcely have been employed as a party doctrine, it was at least closer to the real situation than Duca's interpretation of Rumanian liberalism and did attempt to provide a justification—if only in terms of historical necessity—for the actual practices of the Liberals, the tariff policy, the economic nationalism, the supremacy of the financial oligarchy, the lack of interest in the peasants, and the hostility to radical or revolutionary politics. Nevertheless, Zeletin's defense of Rumanian liberalism, if it may be called such, will not bear critical examination. Apart from the arbitrary assumption that historical developments must follow a set course, his assertion that Rumania was retracing the path of the mercantilist states of the seventeenth and eighteenth centuries was based upon very questionable examples and forced parallels. The entire histories of eastern and western Europe display important social, political, and economic differences; the circumstances giving rise to mercantilism in the West were altogether different both internally and externally from those of nineteenth-century Rumania. The development of Rumanian capitalism had been continually and decisively affected by contemporary influences from the West. The curious formation of the Rumanian financial and industrial oligarchy was not a replica of the rise of the bourgeoisie in western Europe but was a particular product of Rumanian society, though similar in many respects to developments in other eastern European states. Nor is Zeletin's dismissal of the impoverishment of the peasantry as a universal necessity a tenable proposition; in some countries it did occur, but in others, such as central Germany, Bohemia, and Switzerland, industrialism developed along with a free and prosperous peasantry.

The position and activities of the Rumanian Liberals cannot satisfactorily be explained in terms of "liberal" principles, as Duca attempted to do, nor can the party be regarded simply as the sign of the rising bourgeoisie in the mercantilist phase, as Zeletin would contend. More than any other party the Liberals bear the mark of the intermingling of Western and traditional elements which so characterizes modern Rumania. The resultant anomaly led to numerous disheartening social and political consequences:

> Unfortunately, our glorious urban institutions, for all their liberal-democratic techniques, are pure falsehoods. . . . We have introduced

665 liberal commercial laws, but with anti-semitism at their base; we have introduced universal suffrage, but with ballot stuffing; we have ruined rural households in order to increase credit institutions, but we have not permitted free competition among these institutions, but have favored some—those belonging to us—and have attacked others—those belonging to our adversaries; we have encouraged national industry, but not for the benefit of the rural population, as would have been right, since they made the sacrifices, but for the benefit of politicians who are pensioners of this national industry; we have centralized the administration of the country, but not in the hands of a trained bureaucracy but in the hands of the party and its partisans; in a word, we have aped the European bourgeoisie in form, but at bottom we have persisted in the sycophantic habits of the past. In this way we have transformed political life into a hopeless turmoil.[33]

Economic and Agrarian Policy

665 178 The 1911 program of the Rumanian Liberal party stated that "The agrarian question has undoubtedly been the chief preoccupation of the Liberal Government," but, significantly, went on to say, "A country in such geographic conditions and with its natural wealth cannot remain exclusively an agrarian country." [34] The second phrase was to be the dominant theme of the Liberals, and in the guidance of their actual conduct certainly overshadowed whatever agrarian preoccupations they may have had.

In November, 1921, just before its return to power, the party held a general congress and adopted a new program, suitable to the needs of Greater Rumania.[35] Like most political programs it attempted to promise all things to all people. The workers were to have an increased share in the benefits of industry. The agrarian question was seen as not merely one of property relations but of production. Better farming techniques were to be introduced, and the party undertook to encourage agricultural education, expand peasant credit, and organize the sale of agricultural products on a cooperative basis. Measures would be taken to enable the peasant to make use of forest land. As regards general economic policy:

> The point of view of the National Liberal Party has long been known: the development of the wealth of the country, principally by labor, initiative, and Rumanian capital. This policy assured the economic inde-

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[33] C. Rădulescu-Motru, *Ţărănismul, un suflet şi o politică*, p. 43.

[34] *Istoricul Partidului Naţional-Liberal*, pp. 196–199.

[35] *Ibid.*, pp. 231–234.

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> pendence of Little Rumania; it will assure the economic independence of Greater Rumania. Such a policy does not exclude the collaboration of foreign capital, but it wishes to have relations of sincere collaboration with such capital, not relations that will degenerate into a monopoly, dangerous to the national sovereignty and leaving the Rumanian nation poor in one of the richest lands of Europe.

As in 1911, the 1921 program combined a professed interest in the agrarian sector with a determination to develop the wealth of the nation—i.e., to industrialize—primarily through local initiative and capital.

Facing this optimistic program was the bleak reality of Rumania, devastated by the war but with extensive new territories whose economies were as yet unintegrated. Because of the campaign against Bela Kun's Hungarian Soviet republic in 1919, the war had lasted a year longer than in the West. By 1921 some recovery had been made and the first postwar budget presented, but the principal work of recovery and unification still lay ahead. The Liberals attempted to achieve recovery and industrialization simultaneously; in this effort, which strained Rumania's limited economy, interest in agriculture occupied a second place.

1. UNIFICATION OF THE ECONOMY

Before the First World War, the Old Kingdom, Bessarabia, Bucovina, and Transylvania had belonged to entirely distinct economic organizations, and their amalgamation after the war involved not merely administrative and financial readjustments but a complete reorientation in transport, commerce, and communications. The process of reorganization required a number of years, and indeed was not really completed by the end of the interwar period. Western Transylvania and the Banat suffered from the disruption of their ties with the Hungarian plain, the more so as industry was moved toward eastern Transylvania for reasons of security. Bessarabia seems never to have recovered from the loss of the Russian market for its agricultural produce.

A number of steps toward unification had been made before the Liberals came to office. Administrative centralization began under General Averescu in 1920; the various agrarian reform laws had been coordinated in some measure. In 1920 Russian rubles and Austro-Hungarian crowns had been exchanged for lei. This process was carried forward under the Liberals. The law of February 23, 1923, unified the tax system for the whole of Rumania. Banks of the Old King-

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dom, many of which were controlled by the Liberals, extended their influence into the new territories, either by absorbing local banks or by setting up branch offices.[36] The nationalization laws of 1924, which will be discussed presently, increased the participation of the Old Kingdom in the industrial life of the new provinces. These measures evoked threefold criticism: the provinces complained that they were being exploited to the benefit of the Old Kingdom; the minorities, especially the Hungarians, complained that they were suffering discrimination; the opposition parties charged the Liberals with using their official status and banking connections for the personal advantage of party members. Although it is next to impossible to find the core of truth in Rumanian financial scandals, there is little reason to doubt that the acts of unification and centralization were to the advantage of the Old Kingdom as against the provinces, of the Rumanians as against the minorities, and of the Liberal party as against all comers.

Transylvania with its relative wealth was the happy hunting ground for such activities (Bessarabia suffered wretchedly from the administrative centralization, but seems rather to have been a place of exile for unsuccessful administrators and political black sheep). National Bank credits were more generously supplied to Rumanian than to Magyar banks.[37] In 1929 the National Peasant economist, Virgil Madgearu, charged the Liberals with having introduced the law for the nationalization of methane gas for the purpose of gaining control over Transylvanian industries.[38] On the other hand, as Mr. C. A. Macartney has pointed out, the actual effect of "nationalization" upon the minority firms in Transylvania was less than might have been expected because of the generally lax way in which the measure was applied.[39] With respect to taxes there was a general belief among the Transylvanians that they were paying more than their share, because of stricter tax collection, and were receiving less in the way of public benefits. 665 178

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[36] Alfred Bonnafous, "Les grandes banques d'affaires de Roumanie," *Revue d'économie politique*, [illegible] (Paris, [illegible]), [illegible].

[37] C. A. Macartney, *Hungary and Her Successors*, p. 323.

[38] G. C. Logio, *Rumania*, p. 125. According to Madgearu, an exclusive monopoly for the production of methane was given to a Liberal group, who supplied gas to industrialists at excessive prices, forcing them out of the market and leaving it free for rival firms belonging to Liberal confreres.

[39] "The 'nationalization' of the minority firms has consisted in the practice of putting in a few Rumanian directors, who are given a packet of free shares or allowed to buy them at a nominal rate. After this, the average Rumanian director has been perfectly content to fill the role of guinea pig, his contribution to the business being to protect it against the Government. As most of these directors are Liberal politicians, they have usually been able to do so effectively. The activities of the 'Special Economic Commissions' have thus, paradoxically enough, been the strongest defence for the minority firms." Macartney, *op. cit.*, p. 324.

2. RECOVERY

In tackling the problem of economic recovery the Liberal Minister of Finance, Vintilă Brătianu, adopted a policy of stern but primitive retrenchment. A dogged and truculent nationalism was manifest in the futile effort to revalorise the leu, in the restrictive tariff schedules, and in the suspicious attitude toward the investment of foreign capital. While his policy did achieve some desirable financial housecleaning, it was a strait jacket on the Rumanian economy and signally failed in its major aims. The fault, perhaps, lay not so much with his ideas as such, which did show a sturdy desire that Rumania should stand on its own feet, as with the fact that his goals and technique were not in accord with the potentialities of the Rumanian economy and administration. 665 652

One of Vintilă Brătianu's paramount aims was a balanced budget, which he saw as the keystone to the country's economic well-being. Between 1919 and 1922 the budgets, even though they made no provision for servicing the national debts, showed deficits which were covered by new issues of paper currency. He set about to balance the budget by cutting expenses to the bone, by covering expenses solely from the normal resources of the state, and by giving the budget sufficient elasticity to meet the fluctuations of the currency. Beginning with the fiscal year 1922–23 the budget showed a constant surplus of revenues over expenditures. Later reports of the French technical adviser to the National Bank indicate, however, that the announced surpluses in this period were in fact either nonexistent or far smaller than would appear from the accounts.[40] He also succeeded in consolidating part of Rumania's considerable foreign indebtedness by means of a British loan and in arranging for regular means of payment of a portion of the nation's debts.[41] These measures were necessary in clearing up the complete economic chaos of the war years; they did not, however, succeed in really strengthening the economy.

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[40] According to the Royal Institute of International Affairs, *The Balkan States: I. Economic*, p. 48, somewhat the same thing occurred in all the Balkan states. After 1924 most of them showed a budgetary equilibrium that was, in fact, largely fictitious, partly because of doubtful accounting techniques, and the continued increase of expenditure even after the *de facto* stabilisation of the currencies, indicating that the budget equilibrium was dependent upon continued rising prices.

[41] V. V. Badulescu, "La Dette publique roumaine," *L'Economiste roumain*, 2, No. 4 (April, 1928), 111–114.

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Vintilă Brătianu was particularly unsuccessful in his efforts to revalorize the leu, which had been one of the chief reasons for his budget policy. The currency had been badly hit by the war, by the unbalanced budgets which had led to state borrowing from the National Bank, and by the unfavorable balance of payments. In 1923, however, with the balanced budget and the funding of some of the foreign debts, the currency ceased to depreciate, although it remained very unsteady. His severe deflationist policy, which was to restore the leu to its prewar gold level in the course of ten or fifteen years, had a depressing effect upon production; the restriction of currency led to a stringency in credit and a great rise in the interest rate. The leu did not recover but wobbled in such a manner as to create an atmosphere of chronic uncertainty in trade and industry. As the years passed there was increasing clamor for a stable currency. Vintilă Brătianu was reluctant to seek the aid of foreign powers or the League of Nations in stabilizing the currency, largely, it appears, because of a fear of external interference and supervision over internal financial policy.[42] In 1927, however, the original plan of revalorization was abandoned, and the last hectic year of the Liberal regime was spent in attempting to secure a foreign loan to stabilize the currency. But by that time the internal political situation had placed Vintilă Brătianu in the center of a vicious circle: the political crisis impeded his foreign negotiations and his delay in obtaining the loan undermined his position in the country.

The same exaggerated and self-defeating rigidity is to be seen in the field of foreign commerce. Immediately after the war, when production was low and demand great, export trade was put under severe controls and restrictions, though imports were unrestricted. The resulting great excess of imports over exports was checked in 1921 by rising tariffs. After the Liberals came to power the import tariff became increasingly an instrument of industrial protection. Tariffs were raised in 1924 and again in 1926 and 1927. By the end of the Liberal regime, Rumania had one of the highest tariff systems in Europe. This policy was in accord with the whole tenor of Liberal thinking with its emphasis upon the protection of industry.

More surprising, however, was the policy on exports. After 1922 the initial system of export prohibitions and quotas was dropped but was replaced by high export duties. There were several reasons for these export restrictions and duties. They were designed in a period of shortage to keep down the internal cost of living as an anti-inflationary move. They facilitated the process of directing the trade of

[42] *L'Economiste roumain*, 8, No. 9 (June 12, 1927), 184.

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the new territories away from Austria, Hungary, and Russia and 665 into the domestic market. Most important, perhaps, they came to be 652 an important source of fiscal revenue. Since they were payable in gold or foreign currency, they supplied the government with funds for foreign debt payments.[43] Between 1923 and 1926 they yielded a greater revenue than the import duties; the government was naturally reluctant to part with them. They had, however, an altogether depressing effect upon Rumanian commerce and upon agriculture. Since exports were really the sole means by which Rumania could improve its adverse balance of payments, these duties, in their effect of reducing exports, appear to have very little justification.

Export duties were dropped in 1927, and Vintilă Brătianu announced, "The progressive reduction of these taxes until their final suppression forms, as you know, part of our governmental program." At this time he took the position that Rumania was at last ready to move on to a new stage of activity. "If up to the present I have been obliged to perform the work of a doctor in healing the wounds of the past, I hope to be able to resume in the future my profession as engineer—which is to create." [44] Whether or not one accepts his assertion that the Liberals had planned these changes all along, it must be admitted that the Liberals were remarkably adept at reversing themselves and then assuming credit for farsightedness.

To summarize, the Liberals' policy for recovery was only in part successful. Despite an almost puritanical view toward the economy and the desire to improve "through ourselves," their program had a way of destroying on the one hand what it attempted to create with the other. The Brătianus' injunction that Rumania get a firm grip on itself seemed likely to lead to self-strangulation.

3. INDUSTRIALIZATION AND EXPLOITATION OF RESOURCES

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The Liberals not only tried to bring about economic recovery, they were also intent upon exploiting the natural resources of the country and creating a national industry, primarily by state encouragement. In 1927 Vintilă Brătianu defined the principal factors in the development of the nation's riches as "the state, professional chambers, official bodies, and private action, individually or in association." [45] A law for the encouragement of national industry, already passed in 1912, was extended to the whole of Rumania in 1921. Industries

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[43] Pasvolsky, *Economic Nationalism of the Danubian States*, p. 462.

[44] Vintilă Brătianu, exposé de motifs for the 1928 budget, *L'Economiste roumain*, 8, No. 10 (December 1, 1927), 288.

[45] *L'Economiste roumain*, 8, No. 4 (April 1, 1927), 83.

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● 665 433 covered by this law were permitted to purchase public land at a discount, were exempted from duties on imported machinery, and received reduced transportation rates and cheap fuel. In 1923 the Liberals introduced a National Industrial Credit Association for the purpose of granting credit to manufacturers and of encouraging industrial development; the government owned 20 per cent of its stock, the National Bank 30 per cent, and private investors 50 per cent. Tariffs, as has been mentioned, were designed to protect industry from foreign competitors.

665 656 In their industrial activities the Liberals most clearly demonstrated their suspicion of foreign capital. This suspicion was nothing new. In the 1890's the Liberals, then in opposition, had led a successful campaign against granting concessions to the Standard Oil-Diskonto Gesellschaft consortium.[46] In the 1920's they maintained they were not hostile to foreign capital but would not be dominated by it. In 1923 Vintilă Brătianu protested to a foreign correspondent:

> It would be madness to suppose that we can develop the country without the help of foreign capital. We need it in every form to develop mineral resources, water power, and industry. We also require things which must be paid for in foreign money. But we want this capital to operate within the lines of a general policy which is approved of by the state and which accords to the interests of the country. We do not want the type of investor who comes to exploit the country simply to make money, but one who has a feeling for our national evolution and keeps our interests at heart. We want to be treated as an adult and not as a minor.[47]

[671] Nevertheless, the Brătianus were accused both by the opposition in Rumania and by foreign investors of being economic xenophobes. The accusations are based largely on a series of four "nationalization" laws passed in 1924:[48] a law for the commercial exploitation of state enterprises (June 6, 1924), laws on water power (June 23) and other sources of energy (July 1), and a mining law (July 3).

These laws, which covered a wide range of industrial activities—hydroelectric power, natural gas, petroleum, mines, railroads, river navigation, postal services, telephones and telegraphs, and government monopolies—had generally the same provisions. Invested foreign capital in the enterprises could not exceed 40 per cent; the remaining 60 per cent was to be covered by state and private Rumanian

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[46] C. G. Rommenhöller, *Gross-Rumänien* (Berlin, 1926), p. 404.

[47] *Times* (London), May 19, 1923.

[48] A French text of these four laws is given in *L'Economiste roumain*, Nos. 2-6 (1924).

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capital. At least three-fourths of the personnel and two-thirds of the 665 boards of directors were to be Rumanians. Since the subsoil had been 656 nationalized under the constitution, all mines and oil wells were in the form of concessions which would ultimately revert without indemnity to the state, although existing enterprises were to be guaranteed their holdings for a period of fifty years. Because of its importance to the oil industry, the mining law created the greatest stir and the most complaint from foreign investors.

The Liberals' suspicion of foreign capital was not altogether 665 groundless; pre-1914 foreign investments in the Balkans, while of 241 vital importance to their development, were entangled in the play of power politics. In view of subsequent actions in other states and in Rumania itself, the 1924 laws must be considered as quite mild. But at the time they were regarded as inhospitable and evoked formal protests from abroad and lavish criticism at home. Essentially, however, the question was not whether the Liberals were justified in their suspicions nor whether the opposition was right in charging the Liberals with personal greed, but whether Rumania was in a position at that time to develop at the desired rate without the benefit of foreign capital. From the subsequent turn of events it would appear it was not. The limitation of foreign capital, together with the stringent monetary policy and the impediments to agriculture united in stifling the economy. When the People's party took office in 1926 it promised better relations with foreign capital, and when the Brătianus returned in 1927 their tone underwent a change. Foreign observers spoke of Vintilă Brătianu's more cooperative attitude, and *L'Économiste roumain*, his faithful echo, wrote hopefully of increased foreign interest in Rumanian enterprises.

4. AGRARIAN POLICY

The general economic program of the Liberals did not make for a constructive agrarian policy. Not only was agriculture relegated to second place in the attentions of the administration but several of the courses pursued were directly inimical to it. The encouragement of industry was at the expense of agriculture; the commercial and financial policy impeded the rehabilitation of farming after the war and the dislocations of the agrarian reform.

Of course, many of agriculture's woes were not the fault of the Liberal policy. As has been seen in the preceding chapter, the underlying sources of the agrarian problem are numerous and deep-rooted. Rumania, for all its natural resources, was a poor country and no government could have established a flourishing peasantry overnight.

● 665 241 Nevertheless it may be said that Liberal policy harmed rather than aided agriculture. The more important question, however, is whether the sacrifices exacted from agriculture were more than balanced by benefits to the whole of the economy. Final judgment of Liberal economic policy must rest on this question, which will be examined presently.

Liberal neglect of Rumanian agriculture was criticized by Constantin Garoflid, Minister of Agriculture in the Averescu cabinet of 1926: "It is not normal that our country should possess a *Crédit Industriel*, while agriculture is deprived of a financial institution when its needs are at their greatest."[49] The limited supplies of capital were directed by the government and the banks into industrial channels where they were promised better returns. Indeed, facilities for agricultural credit were less than before the First World War.[50] The absence of credit, only in part a consequence of policy, drove the peasants to the usurers and into chronic indebtedness. The handling of payments and compensation for land transferred in the agrarian reforms served to drain money from the agricultural sector of the economy. Peasants were urged to make full payment as rapidly as possible, while the funds received were not devoted to the amortization of the long-term bonds owing to the expropriated landowners but became a source of revenue for the state.[51]

[651] A serious drag on agriculture was the tariff policy pursued by the Liberals. The import tariffs, especially the duties on agricultural implements and textiles, raised the operating costs of the peasant.[52] Even more crippling were the export duties which primarily affected agricultural products, the chief Rumanian export. On some occasions these duties equalled 50 per cent of the value of the product.[53] They were not only a heavy burden on agriculture but completely disorganized the grain trade. Since the smaller peasants were producing primarily for their own consumption, the export duties did not affect them directly, but as the tariffs were aimed at maintaining a low cost of living they affected those particular commodities which the small peasant did supply to the local market.

Against these disadvantages, the Liberal party offered very little

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[49] *L'Economiste roumain*, 2, No. 5 (May, 1926), 160. During his short term in office Garoflid attempted to establish such an institution but was unable to put it into effect.

[50] Mitrany, *The Land and the Peasant in Rumania*, p. 425.

[51] *Ibid.*, p. 421.

[52] The duty on ploughs was 20–30 per cent ad valorem, that on imported sacks was about 50 per cent.

[53] Mitrany, *op. cit.*, p. 436.

in the way of concrete benefits. Liberal agrarian policy can be divided 665 ●
under two heads: measures taken in supplementing or amending the 241
agrarian reforms and measures for the improvement of agriculture.

Of the land reforms, only that for Translyvania had provided for 423
the expropriation of forest land. Article 132 of the 1923 Constitution approved the principle of expropriating forest land in the Old Kingdom, Bessarabia, and Bucovina for firewood and construction purposes. The law implementing this article was published on July 1, 1924. Where woodland was needed and was not available from state holdings, it could be expropriated from private owners leaving them a minimum of 100 hectares. Communal woodlands were to be created, the exploitation of which was to be under the control of the state.[54]

By the law of March 13, 1925, and the executive regulation of 423
April 15, which abrogated Articles 120–124 of the 1921 law, the 665
Liberals, to safeguard peasant holdings, considerably stiffened re- 656
quirements for the sale and purchase of agricultural property. The 241
state was given the right of preemption on lands received not only 671
under the 1918–21 reforms but under earlier distributions of state domain. If this right were not exerted, purchases could be made only on the following conditions:

1. The purchaser was to be a Rumanian citizen, a cultivator of the land or a graduate of an agricultural school, and residing and working in the commune in which the holding was situated.
2. Holdings could be sold in minimum blocs of 2 hectares in the plains and 1 hectare in the hills.
3. Sales could be made only five years after their owner had received definite title to his property following full payment of its price.
4. The purchaser could not own more than 25 hectares of cultivated land, including the area to be purchased. Houses and gardens, up to one hectare, could not be mortgaged or sold; land up to 25 hectares could be mortgaged only to certain authorized institutions.

The detailed instructions in the accompanying administrative regulation made the act of sale quite complicated by requiring numerous forms, proofs of domicile, and evidence of proper ownership. While the Liberals did not make peasant land inalienable they did render the process of transfer slower and more difficult and extended the state's rights of preemption to a large proportion of peasant properties. This law was in harmony with the tight-laced spirit of the Liberals in 1924–25 and showed the same restrictive view of property as the mining law of 1924. Historically, the reversion toward inalien-

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[54] See Diaconescu, *Chestiunea ţărănească în România*, pp. 266–272, for analysis of the text of the law.

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●665 ability was an aftermath of nearly all the land reform measures. It is
656 characteristic of the liberalism of the Liberal party that it should
241 have feared—though perhaps correctly—the consequences of free
671 and uninhibited sales of land.[55]

665 The Liberals, in the law of April 14, 1925, instituted chambers of
241 agriculture, modeled on the chambers of commerce, and united in a Union of Chambers of Agriculture. At first sight these organs appeared to have very important functions: to be the official representatives of agricultural interests, to give advice on agricultural legislation, to supervise agricultural schools, to collaborate with the administration in the application of laws, to improve livestock, to aid in the advancement of agricultural techniques, to prepare statistics, and to organize fairs. They were also to elect members to the senate.

Unhappily, the chambers accomplished very little. Their budgets depended upon the Ministry of Agriculture, and they were not supplied with sufficient funds to carry out the work delegated to them.[56] They were not even representative of the whole of the peasantry. Each chamber was composed of 17 elected members and 11 appointed functionaries. But since only proprietors with a minimum of 3 hectares of arable land, or tenants with 10 hectares were permitted to vote for members, a large percentage of the poor peasants was not represented at all.[57] (In 1930, 52 per cent of the peasant farms were of less than 3 hectares.) Worst of all, the chambers, with their right to elect senators, became hopelessly entangled in politics. Under the law creating them, the government could dissolve the chambers for serious irregularities or bad faith in the accomplishment of their legal work or for activities against the interests of the state. Inevitably, the chambers were repeatedly dissolved on any pretext for the purpose of facilitating the election of senators.

665 In May, 1928, the Liberals passed a law for the classification of
656 cereals, designed to improve the quality of grain destined for export
241 and to reduce the number of middlemen between producer and foreign
consumer. There had been frequent complaints of the inferior quality of exported Rumanian grain and the presence of an excessive amount

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[55] In 1911 the Liberal program has spoken of the desirability of creating a medium property by natural selection, that is, by the purchase and sale of land. The 1924 law certainly represents a retreat from that position. On the other hand, as will be seen below, the National Peasants revised the 1925 law, for the purpose of permitting "natural selection," but with unfortunate results for the poorer peasants.

[56] F. E. Manoliou, *La Reconstruction économique et financière de la Roumanie et les partis politiques* (Paris, 1931), p. 159.

[57] Filip Chefner, "Camerile agricole în România," *M.A.B.: Bulletin du Bureau International Agraire*, 2 (1926), 36.

of impurities. An improvement was undoubtedly desirable. Yet the 665 ●
low quality of exported grain was but a symptom of the generally bad 656
condition of agriculture. Attacking the problem at the level of exports 241
was indicative of the Liberals' attitude. The opposition sharply criticized the law as missing the point: "We are not suffering from a commercial crisis," said Mihalache, "but from a crisis of production. The problem of production must be solved first." [58]

In July, 1928, shortly before the Liberals fell they passed a co- [652]
operative code which had little effect except to reorganize previous cooperative organizations and to increase the direct control of the state. On the whole, as has been mentioned, the cooperative movement was and remained weak and ineffectual. In 1923–24 the National Bank granted 600 millions of lei credit to the whole of the cooperative movement, whereas private bankers received 7,500 millions.

A "battle for production" was inaugurated in 1928 by the Minister of Agriculture, Argetoianu, and in March an agricultural congress voted a resolution which is striking in its complete emphasis upon technical improvements: better seeds, more rational crop rotation, more fertilizers, the expansion of experimental stations. The resolution opposed a further extension of the area under wheat and recommended an effort to raise the output per hectare. In no case, however, did it penetrate to the level of agrarian reforms, as defined in the preceding chapter, but was wholly occupied with desiderata, which were simple enough to call for but very difficult to achieve.

These final efforts of 1928 were, however, of little import, as they were in large part a belated effort to meet the challenge of the opposition which was on the point of coming to power.

It is not easy to judge the successes and failures of the Liberals' economic policy. It seemed easier immediately after their defeat to see their errors and particularly their shortcomings in the agrarian question. But with the failure of subsequent administrations to improve agriculture or to provide a stable economy the nature of the Liberal failure becomes less obvious. Moreover, many of the economic practices of the Brătianus, regarded as heretical at the time, have become generalized not only in the Balkans but throughout Europe; state-supported industrialization has become a commonplace and has received a substantial body of theoretical justification. Yet with all these added qualifications, it may be concluded that the Liberal policy failed.

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[58] Quoted in Mitrany, *op. cit.*, p. 452.

665 For all their opportunism, favoritism to party members, and questionable economic ethics the Liberals had an economic policy. It was not a "liberal" policy and it was not altogether self-consistent, but it was manifest in almost all the economic legislation passed between 1922 and 1928, in agriculture as well as in industry, finance, and commerce. It was based upon a strong nationalism and upon a greatly simplified view of the nature of economic progress. Failing to realize the double-edged nature of most economic decisions, the Liberals had a rather naive faith in the possibility of creating things by fiat. They spoke of Rumania's natural resources as though they were something to be garnered with a little diligent shoveling; they expected the currency to regain its prewar gold level by a mechanical correction of the budget and the balance of trade; in so far as they concerned themselves with agriculture they attempted improvements at the level of export trade or of Chambers of Agriculture. The same attitude was shown in their tendency to restrict movement: currency issues were held below the level necessary for normal business transactions; both imports and exports were inhibited; sales of agricultural land were impeded.

This Liberal attitude should not be confused with "planning." There is little evidence that the Liberals had a comprehensive view of the economy. Industry undoubtedly expanded at the expense of agriculture, yet the policy of export duties on agricultural produce would not indicate a consistent program of nourishing industry through the proceeds of agriculture.

The Liberals fell between two stools. They were unwilling, more for nationalist than for economic reasons, to accept the consequences of a free economy; they feared it would keep Rumania a weak agrarian state at the mercy of foreign capital and unable to provide the means for its own defense. But they were not fully aware of the far-reaching consequences of a directed policy of forced industrialization. In a country as poor and as small as Rumania, a successful policy of development "through ourselves"—and not merely a policy whereby a minority skims off the cream at the expense of the majority—would have involved a long-range program of organized forced savings quite beyond the powers of the Brătianu regime.

The Liberals' economic program had a decisive effect upon their political position. Under the best of circumstances, it would be difficult to persuade a peasant electorate that agriculture should pay for the advancement of industry. In Rumania, with a very primitive peasantry on the one hand and a not very public-minded group of industrialists on the other, it was impossible, especially when there

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

was a large and articulate Peasant party vociferously criticizing "artificial industries." The Liberals, however, were unwilling to accept the logical consequences of this contradiction and make a clean break with democratic procedures. They preferred to pervert them and when, in 1928, that failed they fell from power. In the 1930's there was to be less squeamishness in this matter.

VII

THE PEASANTIST PERIOD, 1928–30

Survey of Political Events

● 665 175 PERHAPS the most disheartening episode in Rumanian history between the wars was the failure of the National Peasant party during its brief term of office after the fall of the Liberals. The period between the formation of the Maniu government in November, 1928, and Maniu's resignation in October, 1930, is a watershed: 1928 was the culmination of a political struggle which had been going on since the end of the First World War; 1930 was the beginning of the long descent into the abyss of 1940 and 1941. The inability of the National Peasants either to relieve the agrarian question or to maintain their political power ended the prospect of a peasant democracy.

When the regents, on November 9, called upon Maniu to form his own government, the National Peasants came into office on a wave of national enthusiasm and optimism. There were widespread rejoicings over the "bloodless revolution"; not only peasants but even business circles and some Liberals were happy to escape from the confining atmosphere of the Brătianu regime. On November 11 Maniu formed an all National Peasant cabinet, including in its important posts: Vaida Voevod at the Interior, G. Mironescu, a wealthy Moldavian who had come from Take Ionescu's party, in the Foreign Office; Ion Mihalache at Agriculture; and Virgil Madgearu at Commerce and Industry. On the following day he announced that "Our first aim will be to give the principles of the Constitution their real meaning and impart a character of strict legality to the working of the administration." [1] He went on to say that he would not disrupt his predecessors' work in the negotiations for a stabilization loan, that he would organize agricultural credit, and give greater power to local institutions. Certain ministries were to be abolished, martial law and censorship to be suspended.

665 In these initial statements the general aims of the new government are apparent: the primary stress is upon restoring, or rather creating for the first time, a truly constitutional regime. Secondly, the aid of

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[1] *Times* (London), November 12, 1928.

P. 130

665 foreign capital is to be sought to repair the national economy. Thirdly, if not as an afterthought at least not underlined, agriculture is to be assisted. Considering the battle against Liberal arbitrariness and the general clamor for a stable currency and foreign capital, such an order of emphasis is not surprising, but it does indicate that direct interest in the welfare of the peasantry was qualified by other, though not necessarily unrelated, considerations.

In the general elections of December 12 the National Peasants, allied with the German party and the Social Democrats, won an overwhelming victory in what is conceded to have been a free and fair election. They gained about 80 per cent of the votes and 348 seats in the chamber (333 seats to the National Peasants, 7 to the German party, and 8 to the Social Democrats). The Liberals obtained only 13 seats; the Averescu-Iorga coalition 5; the Magyars 16; Dr. Lupu's dissident peasants 5; the Peasant Labor party (a Communist organization) and Cuza's anti-Semitic Christian League failed to gain the necessary 2 per cent of the votes. Despite their criticism of the 1926 electoral law, the National Peasants did not repeal it when they came into office and, like the other parties, took advantage of the government premium.

665 The first major step was the stabilization of the leu. Vintilă Brătianu's foreign negotiations were resumed, and an agreement was
652 reached in Paris on February 3, 1929.[2] A $72,000,000 loan for stabilization and railway construction was floated in Washington, London, and Paris; a further $30,000,000 was secured against a concession of the Rumanian match monopoly to a Swedish group. The security of the loan was based on the revenues of the Institute of State Monopolies, created for the purpose. Orders for railway equipment were to be made in the countries floating the loan. The French economist, Charles Rist, who had informed Maniu in December that the loan was dependent upon a reorganization of the treasury, went to Bucarest to supervise the loan and the operation of Rumanian finances. All these conditions were, of course, precisely what Vintilă Brătianu had hoped to avoid through his unsuccessful policy of revalorization. On February 8 the Rumanian assembly passed a law fixing the leu at 10 milligrams gold, 167.18 lei to the dollar.[3]

The government worked hard to attract foreign capital and to set

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[2] Largely for reasons of prestige, Brătianu, unlike the governments of the other Balkan states, had not gone to the League of Nations for the stabilization loan but had sought it through independent negotiations. Maniu felt obliged to continue this course, although it was reported that he could have obtained better terms through the League.

[3] For a detailed account of the monetary reform, see Alexandre-Ionescu Ivanof, *La Réforme monétaire roumaine* (Paris, 1929).

665 652 internal finances in order. In March the 1924 mining law was revised to give more favorable treatment to foreign concessions. State expenditures were reduced through the elimination or consolidation of several ministries.[4]

665 For all their energetic beginning, before the National Peasants had been in power a year, the first flush of enthusiasm was beginning to fade. The badly defeated opposition undertook to rally its forces and started a press campaign of villification and sensational rumors. After the passage in July of the administrative reform bill, which attempted to reduce excessive centralization and place greater authority in the hands of local administrations, both the Liberals and General Averescu's party withdrew from the assembly. In the same month was uncovered an absurd fascist plot among army officers to overthrow the government. To defend the regime against these fascist currents, some of the party's younger followers set up their own paramilitary bodies.

665 661 At the same time that the Right was increasing its activities, the government came into conflict with the Left. Bessarabia was still a trouble zone; there were frequent reports of Soviet espionage teams crossing the Dniester. In February, 1929, A. Dobrogeanu-Gherea, son of the old Social Democratic leader and himself a former leader of the Rumanian Communists, was arrested and sentenced to eight years' imprisonment for secretly returning to Rumania from the U.S.S.R. In August a strike broke out among 3,800 coal miners in the Jiu Valley. Troops were called and when the strikers attempted to take over the electric plant of the Lupeni mines the troops fired, killing over a score of miners. The massacre in the Jiu Valley has often been cited as an example of the perfidy of the National Peasants, but it should be said that when the government investigated the event, it not only blamed the miners for having violated the law but also censored the mining companies for permitting the conditions which had led to the strike. It dismissed all the police and military officials connected with the affair.

A couple of months later an attempt was made on Vaida Voevod's life. In the investigation which followed, one suspect, who was later proved to have been innocent, was horribly beaten and crippled by the police. Again there was a public scandal and the government

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[4] The bewildering changes in the names and numbers of Rumanian ministries seem to be largely a result of the need to provide portfolios for persons or groups who have supported the administration. The Ministry of Fine Arts has been the favorite post to be granted as a political reward.

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

was charged with bad faith. The National Peasants reprimanded the 665 ●
offending officials and maintained that such police brutality was an 661
evil inheritance which they were attempting to eradicate. Such incidents are of importance here only in showing the tenacity with which old habits persisted under the new order.

The failure of the economy to rally provided the really vulnerable 665
point for opposition attacks. The stabilization of the currency had 175
given rise to overly sanguine hopes that money would become plentiful—the Bucarest Jockey Club on the strength of it had doubled its bridge points—but much of the funds went to paying old debts. Crops [433]
had been bad in 1927 and 1928, and one of the first tasks of the Maniu government had been to send relief supplies to Bessarabia. The 1929 harvest was excellent, one of the best in the interwar years, but exports were not great, and world grain prices were already beginning the long descent which was to continue until 1934.

The death in October, 1929, of one of the regents, Buzdugan, produced a typical Rumanian crisis. The Liberals contended that the two other regents should select the third member. The National Peasant assembly, however, elected the new regent, Constantin Sarațeanu, thus laying the party open to the same criticism that it had made of the Liberals in the creation of the regency in the first place. Moreover, Maniu seems to have failed to inform some of the Peasant members of the person to be selected and rumors spread, assisted by wishful opposition thinking, that the Transylvanians were forming an inner cabinet in the government. The principal result of the regency affair, however, was to arouse general dissatisfaction over such an arrangement and to increase talk of Carol's return.

In 1930 the situation was even less favorable. Economic improvement failed to round the corner. The opposition press increased its polemics by publishing wild reports of Soviet mobilization on the frontier, Communist uprisings in Bessarabia, and the government's secret intention to devalue the leu. This technique, long familiar in Rumania, was designed to rattle the government into making a false step, and did succeed in driving it to pass a law establishing a prison sentence for persons found guilty of spreading tendentious rumors likely to damage the credit of the state. Under this law the government confiscated several newspapers.

The municipal elections of March, 1930, showed an increase in Liberal strength, as the National Peasants led only by two to one. In May by-elections government candidates were returned in five constituencies, but were defeated in Cernăuţi by a Ukrainian Nationalist

3: Roberts S-4 (no date)1951 EDl Rumania EDl

665 candidate and in Roman by a fascist. The Communist candidate in
175 Timişoara polled over 25,000 votes. Here were the seeds of the political upheavals of the next decade.

665 At this point, when the National Peasants still commanded a strong
175 majority but were suffering a perceptible loss of popularity and a
643 slackening of impetus, Carol dramatically returned to Rumania on June 6, 1930. His return was not a surprise, as there had been rumors about it for weeks, so many in fact that the government had forbidden the mention of his name in the press. Maniu, after announcing that the government had sanctioned his return, resigned and was replaced by Mironescu, who annulled the act excluding Carol from the throne. He then resigned and a brief period of confusion ensued. The Liberal party split on the question; Vintilă Brătianu sharply opposed Carol's return and expelled a section of the party under Gheorghe Brătianu, the historian and adopted son of Ion I. C. Brătianu, who had come out for Carol. After two days, during which Marshal Presan attempted unsuccessfully to create a coalition cabinet, Maniu was recalled and formed a new National Peasant government, much the same as his first but with the addition of the economist Manoilescu, who had worked diligently for Carol's return.

The details of Carol's spectacular return are not altogether clear. Apparently the initiative had been his but Maniu had welcomed him.[5] As has already been noted, the National Peasants had never been satisfied with Carol's renunciation of the crown. The disadvantages inherent in the regency, which still had many years to go before Michael reached his majority; the hope of having a king on their side as Ferdinand had been on the Liberals'; the increasing difficulties of the party and the portents of waning popularity; and finally the obvious popular approval of Carol's return—all these combined to make the National Peasants accept the fatal step. At that the party leaders were not in complete agreement. Some desired Carol's immediate proclamation as king, some were hostile to him, and others advocated his entering the regency. Maniu himself was opposed to proclaiming him king until Carol should leave Mme Lupescu and achieve a reconciliation with his wife. "But," he said later, "I could not force my views in face of public opinion." [6] 665 175 643

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[5] Ten years later Maniu wrote an article in the journal *Timpul* (September 14, 1940), describing his attitude toward Carol's return: "Ever since 1926 I was against Prince Carol's retirement and favored his return, not only in order to satisfy public opinion—which manifested this desire increasingly—but also to insure the continuity of the dynastic order and the normal government of the country. . . . Therefore, in my capacity as Prime Minister I favored the return of Prince Carol, but only under certain well-defined conditions which were to be put into force from the very beginning. However, after only a few weeks of his reign, I realised to my regret that these conditions were not being fulfilled. Thus, among other things the Coronation of King Carol II and of Queen Helen, arranged for the month of September 1930, was indefinitely postponed. Instead, and in defiance of Christian morals, he compromised his reign by leading a life against which I protested unceasingly for ten years. Having arrived at the conclusion that under these conditions I could no longer accept responsibility for Prince Carol's return and for his rule, I resigned, but maintained my attitude of energetic and continuous protest."

The newly constituted government was short-lived. When Maniu learned that Mme Lupescu had returned to Rumania contrary to what he believed to be Carol's agreement, he resigned in protest on October 6. A new National Peasant cabinet was formed under the wealthy but colorless Mironescu, without Maniu or Vaida Voevod. Although this cabinet remained in office until the following April, its dismissal was only a matter of time. Carol had announced his desire to create a coalition government, and as soon as the National Peasants had completed a new loan agreement they were removed from office. The second National Peasant government of 1932–33 will be discussed later in connection with the depression.

Maniu's resignation in October, 1930, was a significant event as it marked, when viewed in retrospect, the conclusion of Rumania's brief experiment with responsible government. In so far as his action was a protest against royal irresponsibility and bad faith, Maniu was remaining true, as he did always, to his conception of legality and constitutionality. But as a protest against the king's moral standards it was misdirected. "Bourgeois sexual morality," Mr. Hugh Seton-Watson has said, "is probably less esteemed in Rumania than anywhere else on the Continent. It was not the right issue on which to base the whole conflict between Democracy and Dictatorship." [7]

The episode is inexplicable without some insight into Maniu's personality, which, in its rather cold incorruptibility, was in the sharpest possible contrast to the laxness and opportunism of Rumanian public life. Born in Transylvania in 1873, Iuliu Maniu had studied law in Vienna. He had been attorney of the Uniate Metropolitanate of Blaj and professor of law at the Blaj Theological Academy. As deputy to the Hungarian parliament he had gained a reputation as a stubborn and doughty opponent of Hungarian policy in Transylvania. The clerical atmosphere of Blaj and the parliamentary atmosphere of the Budapest chamber had a lasting influence. Maniu 159

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[6] John Gunther, *Inside Europe* (London, 1938), pp. 367–368, includes an unpublished speech by Maniu which was to have been delivered in 1934 and which provides some additional details concerning the National Peasant leader's position on Carol's return.

[7] Hugh Seton-Watson, *Eastern Europe between the Wars, 1918–1941* (2d ed., Cambridge University Press, 1946), p. 204.

159 was renowned as the man in permanent opposition and as one whose acts were always directed by what he considered to be the judgment of posterity. From the very beginning of postwar politics his strength of character gave him an influence which is otherwise difficult to explain. He has always been a source of tremendous admiration to his followers and of singular exasperation and hatred to his opponents.

Those traits, however, which contributed to Maniu's very considerable stature had two serious disadvantages. His personal probity not only led him into politically untenable positions, such as making a political issue of Mme Lupescu, but was far too elevated for his party to emulate. There was always a noticeable divergence between Maniu's precepts and the activities of rank and file of the party, and while Maniu cannot bear the responsibility for the foibles and shortcomings of his followers, it left him, as leader of the party, open to charges of hypocrisy. A more serious drawback was the negativeness and passivity, though not from weakness, of Maniu's attitude; he was always withdrawing, retiring, and resigning, frequently on occasions which demanded a more positive response. Characteristic of this attitude and showing both an admirable democratic belief in his compatriots, together with the absence of any constructive action, is a speech he delivered later, in February, 1932:

> To-day the nation is deprived of its constitutional rights; we are on the threshold of bankruptcy, both economic and moral; we see anarchy enthroned in men's souls and hatred fomented in the provinces, and in the murmur of this growing dissolution one hardly hears the voice of the national conscience, one and undivided. . . . In such solemn moments you ask for my guidance. I shall offer you none. You have both intelligence and conscience. I pray you to revere the memory of the sufferings which brought about the consummation of the national unity.[8]

65 More, however, was involved in Maniu's resignation than personal differences between two individuals. In effect, the leader of a government which had come into power with a tremendous—and authentic—majority of votes surrendered its authority to a monarch who had assumed the crown only four months earlier. Admittedly, there was nothing unconstitutional in this, since the king had the right to appoint and dismiss ministers, but it did bring out the implicit contradictions in the Rumanian constitution between the powers of the monarch and representative government. More than that, it raises

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[8] Quoted in G. C. Logio, *Rumania*, pp. 59-60.

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serious doubts as to the significance of representative government in a country such as Rumania.

The National Peasant defeat, for such it proved to be, is open to two interpretations. Either the party ineptly permitted itself to be eased out of office, thus failing to maintain its responsibilities as the representatives of the great majority of the electorate, or the true sources of power and influence in Rumania were not embodied in the electoral process which had so strongly shown its approval of the National Peasants. Both interpretations, of course, are largely true. The full significance of Maniu's resignation could not be apparent immediately, and it could well have been a tactic of *reculer pour mieux sauter* for which he was well known. Nor was Carol's ultimate overthrow of the parliamentary system necessarily implicit in his initial activities, although it was widely known that he favored a coalition cabinet under the parental eyes of the monarch and disliked the wrangling of politicians. Nevertheless, the surrender of delegated authority rather than resistance to Carol's arbitrary moves is the responsibility of the National Peasants and especially of Maniu.[9]

On the other hand it would be difficult to gauge the relative strength—if it had come to a clear-cut decision—of the National Peasants, for all their popular majority, and the king. The issue, if it had become such, would have been between the "constitutional" elements of Rumanian political life—i.e., the actual strength residing in a party honestly elected by a majority of politically illiterate voters—and the nonconstitutional or apolitical elements, i.e., the rallying power of the crown itself, the attitude of the army, and all the backstage, Byzantine aspects of Rumanian politics. Such an issue would have been in doubtful balance, and it is quite possible that the National Peasants could have won out only if they had undertaken a more dynamic course, including recourse to force. This in turn would have been a denial of Maniu's whole concept of constitutionality and legality, and might indeed have led to the dictatorial practices he had combated so long.

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[9] Admittedly, this is an oversimplification. There was a great difference, in degree if not in kind, between Carol's refusal to give up Mme Lupescu and his subsequent abrogation of the 1923 Constitution. Furthermore, since Maniu's views on the Lupescu issue were essentially ethical rather than political, it would have been difficult for him to have obtained the support of the government or the nation; under the circumstances resignation was his only move. This retirement, however, deprived Rumania of the one man who was in a position to stop Carol's political encroachments.

But even had it been a different issue Maniu's response by resignation was likely, as his whole political outlook came close to passive resistance.

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Actually the question never presented itself in such a formal manner. Moreover, the most important factor which was to wreck the National Peasants was the onset of the great depression, which not only undermined the popularity of the party but destroyed its economic program and weakened its political defenses against the attacks of the opposition. When one regards the general collapse of parliamentary institutions—many of them far stronger than the fragile structure in Rumania—throughout central and eastern Europe during the depression years, it is quite obvious that the fall of the National Peasants was not solely the consequence of Maniu's personal differences with King Carol, although this dispute did provide the particular pattern in Rumania.

By the time of Maniu's resignation the world agrarian crisis had begun and was especially disastrous in Rumania which had not made a complete recovery from the First World War. The 1930 harvest was good but prices were ever lower. The stabilization of the leu failed to bring about the anticipated business revival. Ten years later Virgil Madgearu concluded,

> To have obtained the favorable results which were expected from the stabilization of the leu it would have been necessary for this operation to have coincided with a period of international economic prosperity. In fact it was made too late, only eight months before the outbreak of the world crisis which was to produce general disequilibrium and disorganization of international economic life. Thus, the world economic crisis surprised Rumania in a moment of convalescence, achieved by artificial means, annihilated all the favorable results obtained in the course of 1929, and accentuated to the extreme the evils under which the national economy had suffered before the stabilization.[10]

With stabilization and the fall in world agricultural prices, the peasants who had borrowed during the period of inflation and rising prices found themselves with an overwhelming burden of indebtedness. A cry went up for the reduction of debts, a league against usury was formed, riots broke out in Moldavia and Bessarabia, accompanied by attacks on Jewish money lenders. Worse years were yet to come but this foretaste of depression was clearly involved in the decline of the National Peasants.

In addition to these two external factors—the arrival of Carol on the political scene and of the depression on the economic scene—the National Peasants were also laid low by internal weaknesses and contradictions. These derived a) from the dual origin of the party,

[10] Virgil Madgearu, *Evoluţia economiei româneşti*, p. 309.

b) from certain shortcomings inherent in the peasantist philosophy, and c), as a result of a) and b), a watering down of this philosophy into a somewhat eclectic position which lacked the strength to oppose the onrush of the Rightist authoritarian doctrines of the Carolist era.

Origins and Composition of the National Peasant Party

The National Peasant party was created by the amalgamation of the Rumanian National party of Transylvania and the Peasant party of the Old Kingdom at a general congress of both parties held in October, 1926. Other political formations had had temporary affiliations (Iorga's National Democratic party) or had been absorbed (Take Ionescu's faction of the Conservatives and the Bessarabian Peasant party), but the strength of the party lay in these two organizations. The origins and composition of the National party and the Peasant party were quite different and explain some of the characteristics of the National Peasants' policy when in power.

The Peasant party of the Old Kingdom appeared during the troubled months after the First World War. Some of its leaders had been members of the ephemeral Party of Labor which arose during the constituent assembly of 1917 to vote against the terms of the agrarian reform amendment.[11] The principal figures of the Peasant party were Ion Mihalache, a schoolteacher of peasant origin and a man of considerable intelligence and integrity; Dr. Lupu, a country doctor with a long record of interest in peasant problems, but a rather erratic politician who veered from extreme radicalism to blatant opportunism; the Bessarabian writer and political philosopher, Constantin Stere, an intermittent member; and the economist Virgil Madgearu, its principal theorist on economic affairs. Although of this group, only Mihalache could be said to have been a peasant, the party in its first years was a radical agrarian movement, similar in its general lines and purposes to the other agrarian currents which appeared in the states of eastern Europe immediately after the First World War.

The Rumanian National party of Transylvania had its origins in the Hungarian parliament in the first years of the twentieth century as spokesman of the Transylvania Rumanians against the policy of the Magyars. By the time of the creation of Greater Rumania it had a long experience with parliamentary practice and had become the leading party in Transylvania. Its two outstanding leaders were Alexandru Vaida Voevod, an ardent Rumanian nationalist, and Iuliu Maniu. The National party was the defender of the Rumanian peasants against the Magyar overlords and advocated extensive agrarian reform, but it was more nationalist than peasantist in its outlook, and its leaders were from the middle class. It was a vertical rather than a horizontal organization and while it had great support among the Transylvanian peasants, it was also representative of the Rumanian intellectuals, professional men, and small tradesmen.

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[11] A group of progressive deputies broke away from the Liberal party to form a Labor group. They opposed the limitations of the agrarian reform and desired to extend expropriation to all properties over 100 hectares. The Party of Labor soon dissolved, however; some of the group went into General Averescu's People's League, others returned to the Liberal party, but the rest, including Dr. Lupu, helped to found the Peasant party.

The difference in the two parties' origins was reflected in the attacks they directed against the Liberals, their common enemy. To the Peasant party the Liberals were the spokesmen of the ruling classes, the ciocoi, and the financial interests; to the National party the Liberals were the advocates of administrative centralism, of Old Kingdom primacy, of unconstitutional and arbitrary politics. While the National party and Peasant party were joined in the brief Vaida Voevod government of 1919–20, it would be a mistake to regard this coalition as an immediate prelude to fusion. After the fall of the Vaida government, the parties drifted apart and despite periodic reports of union did not unite until October, 1926, more than six years later. In the meantime the National party had absorbed Take Ionescu's Conservatives and had even merged for a time with Iorga's party, which temporarily included the sinister Argetoianu. In a lecture delivered in 1923 Mihai Popovici, one of the Transylvanians and later Minister of Finance in the National Peasant government, was quite critical of the Peasant party and denied that it could reconcile its individualist principles with its social radicalism.

In 1924 there was an attempt at fusion but it failed, according to Madgearu, because "certain intriguers in the Camerilla found favorable ground among certain formerly conservative elements in the National Party." [12] Actually, King Ferdinand himself seems to have opposed the union of the two parties.

> On the advice of the King that the Rumanian National Party should unite with other parties, the fusion with the party of the late Take Ionescu and later with that of Iorga was carried through and only on

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[12] Virgil Madgearu, "Fusiunea Partidului Ţărănesc cu Partidul Naţional," *M.A.B. Bulletin du Bureau International Agraire*, *4* ([illegible]), 6.

the wish of the King was the fusion with the Peasant Party frustrated after Maniu had succeeded in moving the Peasant Party to accept his ten-point program, by which he had rendered not only the crown but the country a great service, for the Peasant Party as a result gave up its idea of the class struggle and its republican sentiments.[13]

Ultimately the common interests of the two parties proved greater than their differences, but even after their amalgamation they were not altogether in harmony, as is shown in the case of Dr. Lupu's break from the National Peasants in February, 1927. According to Dr. Lupu, the National party had virtually the same social views as the Liberals, the 1926 electoral pact between the Peasants and the Transylvanians was only a "non-aggression pact between two political adversaries," the National party had absorbed reactionary elements and was too regional.[14] Madgearu, in rebuttal, accused Dr. Lupu of opportunism:

> In reality, Dr. Lupu has broken from our party because he no longer believed possible the arrival of a constitutional democratic regime and because he found it necessary to employ opportunist tactics, to collaborate with no matter whom in no matter what fashion in order to participate in the government of the country . . . One can well understand the true character of Dr. Lupu's effort, which he represents as a reconstitution of the old Peasant Party. . . . If he succeeds he will give the Liberal Party the occasion of garnishing its future government with a "Peasant" appendix.[15]

Although Dr. Lupu's subsequent participation in the Liberal government smacked of opportunism,[16] his contention that the two parties did not represent the same social views was not unfounded.

After the National Peasants came to power, there was occasional friction between the Peasant and Transylvanian ministers, but largely through the personalities of Maniu and Mihalache the party remained united, and indeed the worst schism after the party's fall from power was not along these lines but occurred when Vaida Voevod's Ru-

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[13] V. V. Tilea, *Iuliu Maniu, der Mann und das Werk* (Hermannstadt, 1927), p. 24.

[14] See the defense of Dr. Lupu's action in Petre P. Suciu, "La Scission dans le parti national paysan roumain," *M.A.B.: Bulletin du Bureau International Agraire, 2* (1927), 71–78.

[15] V. N. Madgearu, "Essai d'une scission dans le parti national paysan roumain," *M.A.B.: Bulletin du Bureau International Agraire, 2* (1927), 69–70.

[16] It is interesting to note that two decades later, in 1945, Dr. Lupu repeated the same move. He again left the National Peasant party (which he had rejoined in 1933) on the grounds that it was reactionary, formed a new peasant party, and collaborated with the Communists in the National Democratic Front.

● 665 manian nationalism led him to introduce an excessive chauvinism into the party's platform.

The principal effect of the dual origin was not, however, party instability but the ambiguity which it imparted to National Peasant policy. This effect should not be overemphasized because, as will be seen presently, the Peasant party's policy was by no means fixed and had undergone important modifications even before the amalgamation.

The Peasant Ideology

The political and economic principles of the National Peasant party displayed a number of inconsistencies, part of which stemmed from the dual origin of the party. A more fundamental difficulty, however, lay in the party's professed "peasantism" (*ţărănismul*). The Peasant party is usually regarded as the spiritual descendant of the populist (*poporanist*) movement which flourished in Rumania at the turn of the twentieth century and which was to some extent derived from the Russian *narodniki* of the latter years of the nineteenth century. Although this genealogy is not altogether incorrect it is quite misleading. Before the National Peasants had come to power and indeed before the two sections of the party had united, the populist doctrines had been significantly modified, and for a very good reason. In so far as a thoroughgoing and coherent populism was formulated, it proved incapable of facing contemporary problems; and conversely the working program developed by the Peasant party, not to speak of its actual practices, contained a number of extraneous elements, some of which were quite incompatible with a consistent populist outlook. This transformation is quite apparent in the development of the peasantist doctrine through such men as Constantin Stere, Ion Mihalache, and Virgil Madgearu.

A powerful current of rather diverse agrarian ideas, known broadly as populism, *narodnichestvo*, sprang up among Russian intellectuals in the second half of the nineteenth century, and was associated with the "going to the people" movement and the formation of the Land and Liberty party. Russia and Rumania, as has already been observed, had numerous social and economic similarities in the years before the First World War. Both were countries of large latifundiary estates, and of recently emancipated but land-hungry peasants who lived in a state of semiservitude. (The Rumanian term neoiobăgia, neoserfdom, finds a close parallel in the Russian *polukrepostnoe sostoyanie*, semibondage.[17] To be sure, the Russians were concerned with certain problems that were less important in Rumania. The narodniki, for example, were involved in the conflict between Slavophiles and Westerners; in Rumania nearly all writers looked to the West, and the principal manifestation of an anti-Western feeling was the Fichtean nationalism of some of the populists. In Russia the peasant commune was more important than in Rumania and was the focal point of the semisocialist ideas of the narodniki. Finally, Russia was an autocracy and the narodniki tended to split on the question whether to advocate revolution and violence or reform and propaganda; in Rumania the weak international position of the new state, together with the presence of a constitutional government, however unsatisfactory, served to dampen the revolutionary side of populism. Despite these important differences, the agrarian problems in the two states were much the same, as was the challenge of Western capitalism.

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[17] Cf. Lancelot A. Owen, *The Russian Peasant Movement, 1906–1917* (London, 1937), p. 9.

Although Russian populism had a number of strands, its principal thesis, so far as it concerns this study, was that the future of Russia lay in the peasantry, especially in the development of the communal institutions; that Russia could not hope to industrialize because its capitalism had arrived on the scene too late to capture the external markets which were regarded as the necessary stimulus for further advance. From this it was concluded that Russia should progress to a sort of agrarian socialism by avoiding the path of industrial capitalism with its attendant social miseries and evils. To be sure, not all populists accepted all these arguments, and in later years the Social Revolutionaries, who were something of a hybrid, admitted the possibilities of industrialization but continued to deny that agriculture was destined to follow the course of capitalist development.

A direct transfer of the ideas of the Russian narodniki into the Rumanian poporanist movement is to be seen in the writings of Constantin Stere, although this Russian influence was by no means the only source of Rumanian populism, which had an indigenous development for the same reasons that caused its rise in Russia.[18] Stere,

[18] Rumanian populism was also a literary movement reflecting the growing national consciousness and desire to create a national language and literature. H. Sanielevici, in a series of articles collected as *Poporanismul reacționar* (Bucarest, 1921), made a highly critical survey of the literary and philosophical sides of populism. In his unfriendly opinion, it was an escapist and reactionary movement, displaying a medieval turn of mind and an unwillingness to face reality. The socialist Dobrogeanu-Gherea, while admiring certain sincere if misguided aspects of the populist position, regarded it as a dangerous movement because it could be used by the ruling groups to conceal the real misery in Rumania behind an idyllic mask. Populism could mean anything or nothing: "The whole country is covered with populists and populism, civil and military populists, lay and clerical populists, men and women populists, liberal populism, conservative populism, government populism, opposition populism, national populism, anti-semitic populism, democratic populism, socialist populism, and populist populism properly speaking." *Neoiobăgia*, p. 229.

however, was the most brilliant of the populist writers and through his journal *Viața românească* exerted a far-reaching influence. He was born in Bessarabia of a boyar family, had associated with the narodniki, and had been banished to Siberia for his activities.[19] He later came to Rumania where he joined the nascent socialist movement. In 1899 he broke with the socialists on the question of collaboration with the Liberals, and in 1900 led a group into the Liberal camp.[20]

The best exposition of Stere's populist ideas was a series of articles, entitled "Social Democracy or Populism," published in *Viața românească* shortly after the 1907 peasant uprising.[21] The articles were primarily a polemic against the Social Democrats, but they provide the main lines of Stere's thought. Stere denied the Marxist analysis of the economic position of the peasant and held that the peasantry was neither proletarian nor bourgeois but a distinct social category. "The peasantry, as the undifferentiated base of society, constitutes a separate social category, upon whose back are raised all other social classes, not excepting even the industrial proletariat." [22] In a peasant society there could be no class struggle; since the elements of production were not differentiated, there would be no classes. Consequently, the elements leading to class struggle had been introduced via the superstructure of differentiated classes standing above the peasantry. The only way to progress in a peasant society lay through strengthening the peasant economically by means of cooperation and by introducing a true "rural Rumanian democracy." [23]

With regard to industrialization, Stere started from the premise that different countries could evolve in different manners, that the "thorny road of capitalist industrialism" was not the only way. To the question whether "industrialization after the European model was inevitable or even possible in Rumania," his response was negative. Industrialization could not develop without foreign markets, and

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[19] Trotsky and Rakovsky, *Ocherki politicheskoi Rumynii*, p. 123.

[20] C. Titel Petrescu, *Socialismul în România*, pp. 150–151. The socialists of course regarded Stere as a renegade. The problem which faced the Rumanian socialists was that which faced socialists elsewhere, but worse. The party had spent years in the wilderness with little prospect of achieving any effective power. Stere felt that since there was no hope of a revolution, it was wise to collaborate with the more progressive of the existing parties—the Liberals. For some years he was regarded as the unofficial adviser of I. I. C. Brătianu.

[21] The articles, "Socialdemocratism sau poporanism," appeared in six issues of *Viața românească*: August, 1907, pp. 170–198; September, 1907, pp. 318–341; October, 1907, pp. 15–48; November, 1907, pp. 173–208; January, 1908, pp. 49–75; and April, 1908, pp. 59–80.

[22] *Ibid.* (September, 1907), p. 338.

[23] *Ibid.*, p. 341.

Rumania, a backward state, had small chance of capturing them from the great industrial powers.[24]

> An economically backward country, by the very fact of its backwardness, inevitably finds itself in a state of painful inferiority. . . . For this reason, the simple fact that the industrial development of a country has been delayed itself serves as an impediment in the battle for markets.[25] . . . Thus, from theoretical deductions confirmed by the critiques of capitalism made by K. Marx himself, and from the sad experience of our industrial protectionism, we reach the conclusion that Rumania *cannot follow* the industrial development of Western Europe.[26]

Having denied the possibility of Rumanian industrialization, Stere proceeded to develop his own theory of progress, which was based upon a view of Rumanian society as a cultural and historical entity with its own "national genius." In this connection he was particularly incensed by the socialists who would insist that nothing good could arise in Rumania until after the triumph of socialism in the West. Stere's organic nationalism, while deploring "vulgar or ferocious" anti-Semitism, saw the Jews as alien elements and agents of "vagabond capital," who by their increasing numbers and wealth threatened to disrupt the inchoate cultural development of the Rumanian nation. He realized that the struggle for political democracy in Rumania could be achieved only through "determined, conscious and organized action—but this way is, unfortunately, still in large part closed to our peasantry." [27] He would therefore seek political support in the wealthier peasants, the village petty bourgeoisie, and the intelligentsia.

As to the economic goal, the conditions in Rumania demanded "the organization of the whole national economy on a peasantist foundation: a vigorous peasantry, master of the land on which it works, and for which—through the organization of a perfected system of cooperative societies—the advantages of small properties are united with all the technical advantages to-day available only to large property." [28] Stere did not deny the desirability of any industry whatsoever, but recommended a type of industrial organization which could make use of the peasants' free time in the winter months; in other

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[24] Although this argument closely resembles that of the narodniki, nowhere in these articles does Stere cite a Russian authority. Most of his arguments are culled from the German Social Democrats and from Marx and Engels themselves.

[25] *Ibid.* (October, 1907), p. 86.

[26] *Ibid.*

[27] *Ibid.* (January, 1908), p. 59.

[28] *Ibid.* (April, 1908), p. 59.

665 words, a form of peasant household industry designed to satisfy internal consumption.[29] He was opposed to the Liberals' effort to create a national industry by means of a protectionist tariff. Small urban industries should remain as crafts and serve as accessories to agriculture. Existing large industries, such as the petroleum industry, should be nationalized, not socialized, and become a state monopoly. In summary, he advocated:

> A free peasantry master of its land, the development of crafts and small industries, with the aid of an intense cooperative movement in the villages and in the towns; state monopoly of large industry (with the exception of special cases which are able to develop on their own without prejudice to the economy): this is the formula for our economic and social progress, which the very conditions of our national life impose upon us.[30]

Although Stere's thesis is well argued, it presents serious difficulties. In the first place, his initial premise that the peasant is the "undifferentiated base of society" has altogether negative implications, since it is precisely by a "differentiation" of society, by surmounting the primordial peasant, that the dynamic process of economic advance has been achieved. Moreover, while he could point to the undoubted obstacles confronting Rumania in any attempt to emulate the West, the actual fact was that Rumania had long since been caught in the toils of the West; the cash nexus had even penetrated agriculture through the commerce in cereals and had, as has been seen, contributed to the serious plight of the peasantry. His ideal of a prosperous small peasant was based on the models of Denmark and Switzerland—favorite paradigms of the populists—the structure of whose markets and economies was altogether different from that of Rumania. His recommendation that industry should take the form of household crafts, to occupy the peasant during the winter months, has also had much popularity but is of limited value. The separation of cottage industry from agriculture has generally been the mark of advancing cultivation. Any industry run on such an intermittent basis would be forced to remain on a primitive and inefficient level. Moreover, the winter unemployment was in part a consequence of the extensive nature of Rumanian agriculture; a more labor-intensive form of peasant cultivations would diminish this seasonal difference. Above all, cottage industries have shown small powers of resistance to the competition of machine-made goods.[81] Stere's theory really 665 provides no adequate solution to the problem of improving the level of agriculture or the status of the peasant.

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[29] *Ibid.*, p. 60.
[30] *Ibid.*, p. 68.

In addition to these shortcomings, Stere's populism contained certain very dangerous implications which were to be realized in the 1930's. Along with his desire for a rural democracy and a rustic economy, there is also the persistent note of organic nationalism, with its eloquent love of the "national genius" embodied in the Rumanian peasant, its fear of the alien cultural and economic intrusion of the Jew, its belief that Rumania had its own particular destiny to fulfill, and its desire to avoid the "Golgotha of capitalism." In Stere these elements appeared in a relatively moderate and balanced guise, but taken together and intensified they closely resemble the driving impulses of the Iron Guard.

The connection between certain aspects of populism and the Rumanian fascism of Codreanu is not accidental but is closely bound to the question of Rumania's relation to Western industrial society. Rumanians faced by the impact of the West with its power, high material level, and more articulate cultural development, have always been in peril of being driven to one of two emotional extremes: either abject imitation of the West or rejection. In general, imitation has prevailed, though frequently with quite un-Western consequences. In Stere, however, there is the element of rejection, although it is moderated by an effort at a rational analysis of the actual relations between Rumania and the industrial West. In the Iron Guard, on the other hand, the rational element is dissolved, leaving only the emotional reaction in a singularly malignant form. Therein lies the danger of this type of populism: in so far as it fails to provide a solution to Rumania's social and economic questions, it is apt to erupt into a wildly irrational and negative movement.

While these potentially dangerous qualities appear in Stere's work, it would be a mistake to read them into the future Peasant party. Indeed, as will be shown presently, the Peasant party, despite Stere's affiliation with it and despite the persistence of the populist ideology, did not pursue a populist course but followed a different line, which

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[81] The Peasant party economist, Madgearu, conceded that the populist writers were incorrect in their views on cottage industry (*op. cit.*, pp. 11–12). These arguments have nothing to do with the question of the value of decentralized industrialization based upon household units, since with the use of electric power such industries might be quite feasible. Cf. League of Nations, *Industrialization and Foreign Trade*, p. 50. But the introduction of such things as electric power presupposes a whole series of developments not included in the populist theory.

665 also led to difficulties but of another kind. An indication of this difference appears as early as 1920 when a Peasant party deputy said: "We are not against industry, and not against towns, and not against 'foreigners,' and we have nothing in common with the populism of *Viaţa românească*."[32]

In the remarkable parliamentary speeches of the Peasant leader Ion Mihalache in 1920 and 1921 one finds a quite different attitude from that expressed in Stere's writings. Mihalache was at once more authentically peasant and more pragmatic than Stere. In his attack on the existing order and the ruling class he showed the anger of the peasant against the boyars and a profound distrust in the willingness or ability of the old parties to defend him. He violently assailed the temptation of "social harmony"—"Social harmony is the seductive song by which the naïve are put to sleep; while they are sleeping the ruling class satisfies its own class interests"—and announced that the peasants must organize for their own defense. He thus granted the existence of social classes and of a class struggle. He did not, however, erect either the concept of classes or the class struggle into theoretical principles, but said they were merely names for what was obviously happening in Rumania:

> "Class struggle," the parties of social harmony shout at us. "So be it," we reply if that is the only means by which the peasantry can guarantee the realization of its needs.
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> "You are not a class party. The peasantry is not a social class," the socialists shout at us. "So be it," we also answer the socialists; we are very little interested in the definition whether we are or are not a class party.[33]

Mihalache stated that the peasantry had a class attitude toward the large proprietors because its goal was the elimination of large estates and the establishment of the peasant as master of the land. He did not, however, regard the peasantry as the exclusive class. "The Peasant party is not opposed to the development of all other social classes; in contrast to the Socialist party which proposes to dissolve the bourgeoisie and replace it with a single social class, the Peasant party considers legitimate the existence of other social classes, industrialists, merchants, etc."[34] His concept of the function of the peasant lacked the overtones which are found in Stere and at the same time he did not endow the class struggle with an independent vitality as the mainspring of history.

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[32] Sanielevici, *op. cit.*, p. 482. The deputy, unnamed, was protesting against the antipopulist line of Sanielevici's periodical *Curentul Nou*.

[33] Mihalache, *Partidul Ţărănesc în politica ţărei*, p. 82.

[34] *Ibid.*, p. 89.

He had a pragmatic view toward industry; while he opposed the control exerted by the Liberals over the nation's economy, he did not adopt Stere's view that Rumania must follow a different course of development from the West. He did not even deny the socialists' contention that in the long run increasing industrialization might introduce capitalist development into the countryside, but present politics could not wait for that eventuality:

> It is possible that in the future it will be as you believe. I do not come with prejudices against socialism. It is possible that mechanization will make such great progress in agriculture that personal equipment, individual initiative, and the personality of the man will not be the essential factors in agricultural production they are to-day . . . and then it may occur that the notion of individual property will suffer a great blow and socialism will come to the peasantry. It is possible. But gentlemen, in politics we must base our actions not on what might happen in decades or in future centuries. A healthy policy is the management of current needs, of the real necessities of the existing society.[35]

This essentially practical tone ran through Mihalache's pronouncements, and his thesis was the simple and straightforward one that the great majority of the Rumanian peasants had been deprived of land and kept out of power by the greed and selfishness of the boyars. His aim was to correct that state of affairs by organizing the peasants to protect themselves (he admitted the assistance of intellectuals, but without the connotations of Stere's intelligentsia) by redistributing agricultural land, by establishing small peasant farms which he believed were more efficient than the large estates, and by increasing peasant cooperation. In pursuing this line he attacked the parties of "social harmony" for their hypocrisy and the socialists for their doctrinaire denial of the role of the peasantry. While a patriot and a monarchist, he displayed little of Stere's organic nationalism. The principal limitation to Mihalache's position was that he did confine himself largely to the immediate agrarian question, and did not really explore the connections between agriculture and the whole economic complex.

Turning to the Peasant party economist Virgil Madgearu, one

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[35] *Ibid.*, p. 35.

665 finds a broader if less intense view of the economic scene. By a series of articles in the early 1920's [36] Madgearu established himself as one of the leading spokesmen of the Peasant party, although unlike Mihalache there was little of the peasant about him. He had a Leipzig doctorate and was a professor at the Academy of Commercial Studies in Bucarest.

Madgearu, like Stere and Mihalache, argued that agricultural development, in contrast to the views of the Marxists, was from large holdings to small peasant properties, which could demonstrate a higher level of productivity. He also maintained that the peasantry constituted a separate social category; while granting that some peasants employed labor and others were virtually an agricultural proletariat, he denied that this proved a lack of homogeneity in the peasantry.[37] On the other hand. Madgearu's writings displayed a spirit quite different from Stere's. He saw that the populists had been wrong in their belief that agrarian countries would evolve without becoming involved in industrialism, since in fact capitalist industry in the form of factories, cartels, and trusts was developing by leaps and bounds in the agrarian states. The peasant *mystique* which appeared in Stere's populism was lacking in Madgearu. Indeed, Madgearu's "peasantism" was founded upon a set of ideas which were typically "liberal" in the Western sense of the word.

He granted the existence of the class struggle, but for him it was not a dynamic concept but a mere statement of fact. It was not the peasants who preached social discord but the false exponents of "political harmony," the old oligarchy, who had created the antagonisms[38]. He denied that Rumanian liberalism could develop an adequate peasant policy, but for the reason that real liberalism had perished. Contemporary Rumanian liberalism was founded on a financial oligarchy, financial trusts, and a despotic militaristic state. He opposed the industrial policy being followed in Rumania, not from the populist desire to avoid a "capitalist Golgotha," but because industrialization was not developing on the basis of free competition. "If peasantism does not have an inherent tendency against industrial development, it is, on the other hand, against tariff protectionism, the creator of hot-house industries, trusts and cartels."[39] He denied any contradiction between agrarianism and industrialization; he admitted the necessity of developing Rumania's industries and natural resources but rejected those industries which required continued artificial support. Wherever public utilities or basic industries showed signs of becoming monopolies they should be regulated by the state.

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[36] Some of these include *Ţărănismul* (Bucarest, n.d.), "Doctrina Ţărănistă," in *Doctrinele partidelor politice*, *Revoluţia agrară şi evoluţia clasei ţărăneşti* (Bucarest, 1923), *Agrarianism—un discors parlamentar* (Bucarest, 1927).

[37] *Doctrinele partidelor politice*, p. 72. However, in his last work written in 1940, Madgearu admitted that in Rumania there was a tendency toward a differentiation between the middle peasantry and the agricultural proletariat. *Evoluţia economiei româneşti*, p. 84.

[38] Madgearu, *Ţărănismul*, p. ii. On several occasions he quoted with approval Guizot's remark, "The class struggle is not a hypothesis, not a theory, but purely and simply a reality."

In the political sphere, the peasant was important not because of any innate rustic virtues but because he represented the great majority of Rumanian citizens. He should not be deprived of his share in the government for any theoretical reason, whether coming from the Left or the Right. Socially the peasant was important because of his threefold role as producer, consumer, and citizen.

> The peasant, having become a small proprietor of land, through allotment or purchase on his own, has an interest in earning from the cultivation of his lot the greatest product which can be obtained in the shortest time, to endow his holding with equipment and livestock, and to provide enough for himself and his family. This presupposes an organization of production which guarantees a maximum return and an organization of sales, which, by doing away with intermediaries, gives the villager the whole value of his produce. . . . The peasantry forms the most numerous strata of consumers. It is therefore directly interested in the industrial regime. Understanding the necessity of encouraging the progress of a national industry, it cannot admit a protection based on a prohibitive tariff system which artificially maintains certain industries that lack any favorable conditions for their development. . . . Finally, as citizen the peasant has an interest in living in a community of free men, who administer their interests through elected representatives.[40]

Madgearu's criticism of the Social Democrats, while to some extent based on their hostility or indifference to the peasantry, was along lines quite different from Stere's. He opposed Social Democracy primarily because in Rumania it was apt to produce extremist repercussions either to the Left or to the Right:

> It is problematic whether a Social Democratic party could soon succeed in penetrating the peasant masses, not so much because the mentality of the latter, attached to the idea of private property, is closed to the socialist ideology, as because the economic influence of the parties of "social

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[39] *Doctrinele partidelor politice*, p. 85.
[40] Madgearu, *Ţărănismul*, pp. 21–27.

> harmony" over the villages, along with their means of propaganda, would be able to frustrate any serious action by the Social Democrats among the peasants. As long as the Social Democratic party was unsuccessful in attracting the peasant masses, it could only be a spectator, condemned to a passive role. In periods of burgeoning "ministerialism" in its ranks, it would be in the situation of seeing its leaders agreeing to collaborate in the governments of the bourgeois parties, of the capitalist oligarchy. This would lead to breaking the unity of the socialist movement and to strengthening the revolutionary syndicalist and communist currents, the adversaries of political democracy. A change in direction away from political democracy and toward a proletarian dictatorship would, however, give rise to reaction in the cadres of the parties of order and social harmony, a restriction of public liberties through a state of siege, courts martial and censorship, with the tendency to install a white dictatorship. Whoever has closely observed the course of events in recent years can foresee the fate of the Rumanian people if it were to be their lot to oscillate between the rule of the financial oligarchy in a democratic form and the same rule of the financial oligarchy installing a political dictatorship every time it appeared to be in danger of being ousted or destroyed by a dictatorship of the proletariat. Cannot the entry of peasantism into the political arena determine a new orientation to social evolution?[41]

In these prophetic words, Madgearu's criticism of the Social Democrats is seen to be altogether practical and was really meant as a plea for cooperation from the Social Democrats in defeating the financial oligarchy of the Liberals and in fending off Leftist excesses.

In his foreign economic policy, Madgearu displayed none of the populist mistrust of the West. He believed in freeing trade channels and giving a friendly reception to foreign capital, and he heartily opposed Vintilă Brătianu's economic xenophobia.

Clearly, the spirit prevailing in Madgearu's writings is quite unlike that of the earlier populists. Peasantism has become a radical democratic movement. In many respects Madgearu's position is a great advance over Stere's populism. It shows none of the irrational and primitive strains and is thoroughly aware of the twentieth century. It avoids integral nationalism and advocates international cooperation. Above all, it realizes that the peasant cannot remain isolated but is involved in the complex of the world economy. It was Madgearu's principal desire to keep the peasant from being exploited in this economy.

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[41] *Ibid.*, pp. 15–16.

But in thus escaping the limitations of populism Madgearu's peasantism contained its own weaknesses. In the first place, this rationalization of the peasantist philosophy, which gave it an almost middle-class flavor, was in danger ultimately of depriving it of its fighting strength. A more serious drawback, though Madgearu was scarcely at fault, was that the ideals and indeed the society on which Madgearu based his argument and which he was trying to translate into Rumanian terms were on the verge of suffering a terrible setback throughout Europe. A third and more specific danger was that the very broadening of Madgearu's concepts with their acceptance of a number of nonpeasant elements (especially the qualified support of industry and the interest in foreign capital) would, in the course of time, lead these elements to claim first attention.

An analogous shift in direction is observable in the series of Peasant party programs of 1921, 1922, 1924, and 1926, as may be illustrated by comparing the passages on agrarian affairs, industry, and foreign capital.[42] Rumanian political programs should not be taken very seriously as a guide to probable action, but as each of these was prepared while the party was in opposition they do at least show the Peasants' changing views on Rumanian economic policy.

The projected program of 1921 is quite radical in tone but vague and loosely formulated in its contents.[43] It affirms that the land must belong to those who cultivate it and that the state should have constitutional right to continue to purchase large and medium properties and transfer them to the actual cultivators. Expropriation should follow the model of the Bessarabian agrarian reform (i.e., all properties over 100 hectares) and be applied by bodies elected by the peasantry. Only the state should have the right to purchase land, peasant holdings should not be larger than a peasant family could cultivate with its own labor, and measures should be taken to prevent the reappearance of large properties.

The 1922 program is generally similar in tone. It omits the right of the state to purchase medium and large properties and merely

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[42] *Proectul de program al Partidului Ţărănesc din România* (Bucarest, 1921); Partidul Ţărănesc, *Programul şi Statutele* (Bucarest, 1922); Partidul Ţărănesc, *Programul General şi Statutele* (Bucarest, 1925); Partidul Naţional-Ţărănesc, *Principiile programul şi statutul* (Bucarest, 1926). A projected program was voted by a congress of the party on November 20–21, 1921; a definitive program was passed in the general congress of Iaşi on November 26–28, 1922, and was modified by a congress in Bucarest on October 26–27, 1924. A new program was adopted in the congress of October 10, 1926, when the National and Peasant parties fused.

[43] It contains a large number of Slavonic words, which were later replaced by more sedate words derived from French or Latin. The whole document bears the impression of Stere's influence.

● 665 says that the state should assist the process of evolution toward "properties of cultivation." It would extend expropriation to properties of over 100 hectares with the exception of model farms necessary for the improvement of small cultivation. (This qualification was omitted in 1921.) It is less explicit on restrictions on sale of land, but goes into greater detail on the question of communal pastures and forests, agricultural education, experimental stations, and credit.

The 1924 program omits reference to the land belonging to him who cultivates it, and stresses the need for correction of abuses of the agrarian reform. It would extend expropriation to properties over 100 hectares, unless they were organized farms with their own inventory and equipment, in which case they could be 250 hectares in regions with demands for land, and 500 hectares in regions where the need for land had been satisfied. It shows greater interest in rationalizing peasant holdings through establishing norms for the sale and purchase of land, preventing the fragmentation of property, and consolidating small properties.

The 1926 program—after the fusion of the National and Peasant parties—is substantially the same. It emphasizes the need for completing the land allotments and for raising the level of production. It makes one significant addition, however, in advocating freedom of purchase and sale of agricultural land—after a period of transition—to promote the "natural selection of serious cultivators."

The four programs show a consistent trend away from a radical agrarian policy advocating a leveling out of properties and determined to maintain family cultivated plots, to a more elastic concept with less emphasis upon land distribution than upon the improvement of production. The principal changes occurred before the union of the Peasant party with the Transylvanians.

The 1921 program takes a very narrow view of industry. "Agriculture cannot advance if it is not aided by the establishment of certain industries . . . but industry to be successful must be based only on those things which can be made from what is found in the country." It recommends cottage industries which could occupy the peasant after the completion of his work in the fields. It recognizes the need of a national industry and of tariffs, but the latter should not be excessive.

The 1922 program follows the same lines, but adds the need of state control over the exploitation of natural resources. It opposes the support of "artificial" industries, protection of monopolies which raise the cost of living, and state monopolies.

The 1924 program for industry is brief and presents fewer restric-

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tions. It still favors small and cottage industries but approves the encouraging of large industries, especially those which use agricultural products.

The 1926 program is still briefer. However, in contrast to the 1924 program on the utilization of sources of energy, which stresses the need for public control, it "encourages private initiative and capital." This is a complete reversal of the 1922 program which criticized the "anarchic exploitation" of sources of energy for "private capitalist interests."

With respect to foreign capital, the preface to the 1921 program has some very unpleasant things to say about "capitalist imperialism which has achieved world domination." While it admits the value of foreign loans to repair the railway system, "we must have, however, great care when it is a question of taking loans from bankers of other countries. We must take the precautions of the mouse when it goes for food that it is not seized by the cat!"

The 1922 program omits the prefatory harangue against capitalist imperialism. It rejects foreign railway concessions but grants the need of foreign credit to repair transport and consolidate the national debt. The suspicious note is still present: while Rumania needs foreign credit, the party recognizes the tendency of the large capitalist states to exploit through concessions the riches of backward agrarian states such as Rumania. "We are fully aware of the great difficulties and dangers of the immediate future."

The 1924 program drops this attitude completely and has a special section on collaboration with foreign capital, the necessity of attracting it to repair the economy and to develop the natural riches of the country. It favors equal treatment to foreign and Rumanian capital, an attack on the policy of the Liberals.

The chapter on collaboration in the 1926 program is identical with that of 1924, except in its omission of the phrase, in speaking of attracting foreign capital, "in a form corresponding to the national economic interests." The phrase probably sounded too much like a Liberal party pronouncement.

From these examples it should be quite clear that the policy of the Peasant party underwent an important and perhaps fundamental evolution from its radical origins of 1921.[44] Moreover, the bulk of changes occurred before the fusion of 1926, a fact which would con-

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[44] Similar changes are observable in most sections of the programs. For example, the programs through 1924 demanded the dissolution of the security police and the rural gendarmes, and the inauguration of the eight-hour day. These points were dropped in the 1926 program.

665 firm the supposition that the principles of the Peasant party itself were unstable. The evolution traced here was to be carried even farther when the National Peasants came to power in 1928.

Economic and Agrarian Policy

[113] A fair illustration of the economic interests of the National Peasant government is to be found in Virgil Madgearu's little book, *Rumania's New Economic Policy,* published in 1930. Of the 63 pages of text, 14 are devoted to agriculture, 22 to the exploitation of state enterprises and the reform of the mining law, ten to foreign trade policy, and eleven to the improvement of transport. The fact that the booklet was published in England and designed for foreign readers merely underlines the preoccupation with affairs other than agricultural. As has been seen, this broadening of interests was the result of the pressing demands of financial, monetary, and commercial matters in 1928–30, but also of the internal trend away from a purely agrarian outlook.

665 241 The most striking feature of the agrarian policy of the National Peasant government was the things it neglected to do or even to consider doing. While the party's attitude toward further redistribution of land had become increasingly moderate, nevertheless in 1926 the program of the united party called for expropriation of properties over 100 hectares. Not a step was taken toward carrying out this measure. To be sure, many reasons militated against such a move. Agriculture was still in the process of readjustment from the previous reforms. Expropriation would undoubtedly have caused a political furor since the mere passage of time was serving to consolidate the previous reform, with all its shortcomings and abuses. Moreover, since the 1917 act was entered in the constitution, it could be modified only by a constitutional amendment, which was forbidden under a regency. Quite obviously, however, the National Peasant party by 1928 was not the radical agrarian movement which had attempted to introduce the reform bill under the Vaida government of 1920.

A second omission was the failure to take any active steps toward the consolidation of peasant strips, a measure which was virtually a precondition for any effective improvement of agriculture. Again, this would have been unsettling and peasant support for this particular reform was by no means certain.

665 241 671 The only serious measure taken in connection with agricultural property relations was an act passed in 1929 which amended the Liberals' law of 1925 concerning the alienation of allotments obtained

through the agrarian reforms.[45] The new law, which was designed to 665
facilitate the transfer of land and to further a "process of selection 241
among the peasant cultivators," abolished certain of the restrictions 671
and delays imposed by the Liberals and greatly simplified the procedure of sale, although maintaining safeguards to keep land in the hands of actual cultivators and limiting purchases to Rumanian citizens having not over 25 hectares of land.

The idea that a "process of selection" would enable peasants with 656
"superior competitive efficiency" to create prosperous holdings has 665
had considerable popularity not only in Rumania but in other east- 671
ern European states.[46] For such a process to have beneficial consequences, however, it is necessary, first, that superior efficiency on tiny holdings will actually result in sufficient capital accumulation to buy out less efficient peasants, and, second, that the peasants displaced in the process have some alternative means of employment. Otherwise the poorer peasants would be reduced to a landless proletariat and the land taken over by the wealthier peasants. Such seems to have been the effect of the National Peasants' law, although it was not the sole cause; the survey of sixty Rumanian villages made in 1938 reported that the law of 1929 had intensified the differentiation in the peasantry by building up the category of middle peasants on the one hand and of increasing the agricultural proletariat on the other.[47] It was this law perhaps more than any other single act which gave

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[45] See above, p. 125.

[46] Wilbert E. Moore, *Economic Demography of Eastern and Southern Europe*, [113] p. 105, cites a Greek author (C. Evelpedis, *La Réforme agraire en Grèce*, Athens, 1926), as an advocate of this view. In Rumania the alienation of peasant property has had a tangled political history in which at one time or another almost all political parties have reversed their positions. Up to the 1918–21 reforms, official policy tended toward inalienability, whereas the older reformers, such as Dobrogeanu-Gherea and Garoflid, demanded alienation as a necessary step to creating an independent peasantry. The Liberals in 1911 came out for a "process of selection," but in 1925 they restricted the transfer of land. The Peasant party, on the contrary, in 1921 was for government control of all sales, whereas in 1929 it moved toward freer purchase. The Communists, it may be added, roundly condemned the National Peasants for their 1929 law, but Lenin, in his agrarian writings before the Russian revolution, was strongly for alienation. The Communist position is seen in Pătrășcanu's interpretation of the 1929 law: "From the point of view of opening a way for capitalism in the villages and of differentiation within the rural strata, the measure represented an advance in comparison with the past. But what was the cost of this progress? The land of the poorest and economically most feeble layers of the peasants quickly became the principal object, the prey on which urban banking capital and the village bourgeoisie threw themselves." Lucrețiu Pătrășcanu, *Sous trois dictatures* (Paris, 1946), p. 106.

[47] *60 Sate românești*, II, 6. The depression doubtless intensified this effect. During the 1946 famine in Moldavia the same thing occurred: peasants who had obtained land under the 1945 reform began to sell to the larger peasants at such a rate that the government was obliged to pass a law nullifying these sales.

656 rise to the charge that the National Peasants really represented the richer peasants and the village bourgeoisie.[48]

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671 A similar attitude appears in the other principal agrarian measures of the National Peasants; the law for the organization of cooperation, of March 28, 1929, and the law for the organization of rural mortgages and agricultural credit of July 29, 1929. These laws were acclaimed at the time as proof of the government's concern for the peasant, but they need not be considered in great detail here.[49] Laws for credit and cooperation are hardy perennials in Rumanian legislative history, but none of them appears to have accomplished much. These particular laws were quickly blighted by the onset of the depression.

474 The law for the organization of cooperation abrogated the act passed by the Liberal government in July, 1928, which the National Peasants thought gave the state too much control over the cooperative movement. The new code was designed to broaden the legal frame "to offer the cooperatives the freedom of movement which every economic enterprise needs if it is to develop in the present economic world." [50] Notwithstanding this effort to assure greater autonomy and independence, a foreign observer concluded in 1930 that even the new regime had not abandoned the idea that the cooperatives were a government maid of all work.[51] The real difficulty, as has been mentioned before, was that the poor peasant, that is, the average Rumanian, had very little to offer in a cooperative movement. Until the level of the peasantry was raised above the margin of subsistence, the cooperative movement was bound to be a name rather than a reality and to be altogether dependent upon the state for financial support and direction.

452 The law for the organization of rural mortgages and agricultural credit was intended to improve the channels supplying credit to agriculture, which had been seriously undernourished during the Liberal

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[48] This charge is given some weight when one considers Madgearu's remark, made in 1930: "With farms of medium size, limited to 25 hectares, the agricultural credit granted will be used in a more economical way and will bear fruit in a degree hitherto unknown in our agrarian organization." *Rumania's New Economic Policy*, p. 11. In a country where 75 per cent of all agricultural holdings were under 5 hectares, and 92 per cent under 10 hectares, reference to farms of medium size could have only an extremely limited application.

[49] Analyses of the law for the organization of cooperatives may be found in Mitrany, *The Land and the Peasant in Rumania*, pp. 409–411, and in F. E. Manoliou, *La Réconstruction économique et financière de la Roumanie et les partis politiques*, pp. 236–237, and of the law for the reorganization of agricultural credit in Manoliou, pp. 239–243.

[50] From the exposé de motifs, cited in Mitrany, *op. cit.*, p. 409.

[51] "Rumania: The State as Co-operator," *Yearbook of Agricultural Co-operation, 1930*, pp. 404–428.

regime. New institutions were set up to provide credit suitable to agriculture's particular wants. It was hoped that these would stimulate the influx of foreign capital "to satisfy the needs of agricultural financing."[52] In its form the new law was better adjusted to the needs of agriculture, but the depression completely halted the desired flow of capital. It may be doubted if this law was of primary benefit to the poor peasant, who was of necessity a bad risk and whose impoverished condition prevented him from employing credit profitably.[53] 452

In addition to these financial measures, the National Peasants passed acts for the organization and reform of agricultural instruction intended to spread and popularize better agricultural techniques and to prevent trained agriculturalists from being completely absorbed by the bureaucracy; a law of July, 1929, for the reclamation of the inundated region of the Danube; measures for leasing agricultural machinery to cultivators and developing seed selection stations; and a law to promote systematic colonization in areas of sparse population. These measures, while desirable in themselves, could be of only marginal benefit. 241 656 665

Although the National Peasants' concern with agriculture is shown by the fact that the budget of the Ministry of Agriculture in 1929 was double that of any of the preceding postwar years,[54] the general results are somewhat flat and uninspiring. According to Madgearu ten years later, the National Peasants, because of the difficult circumstances under which they had received the stabilization loan and because of the increasingly unfavorable international economic situation, had been unable to carry out all their financial plans but had been forced to limit themselves to certain priority tasks: assuring the liquidity of the National Bank's portfolio, liquidating the state's floating debt, reconstructing the railways, and making certain productive investments. "The necessary means were lacking to create an agricultural mortgage bank."[55]

Doubtless, financial difficulties and the lack of capital were important obstacles, and the depression washed away what might have been promising beginnings toward improvement in agricultural finan-

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[52] Madgearu, *Rumania's New Economic Policy*, p. 9.

[53] Manoliou, *op. cit.*, p. 242, was of the opinion that certain measures of inspection and control, included in the law to safeguard the credit societies, would have the effect of discouraging the small cultivator and diminishing his productive efforts.

[54] According to Mitrany, *op. cit.*, p. 458, after the First World War the budget of the Ministry of Agriculture had not exceeded 33,500,000 gold lei until the advent of the National Peasants. In 1929 it reached the figure of 78,500,000 gold lei.

[55] Madgearu, *Evoluția economiei românești*, p. 306.

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241 cial organization. But the agrarian policy had other defects. In the
665 first place, the National Peasants fell into the old Rumanian fallacy
656 of counting too greatly upon an act of legislation to cure any problem.[56] Much more serious however was the fact that while the National Peasants had an agrarian policy it was scarcely a peasant policy. The measures actually taken were not of the kind that could greatly help the poor peasant. The modifications of the party programs between 1921 and 1926 foreshadowed this attitude, but even so the more far-reaching parts of the 1926 program were not carried out.

665 Measures intended to benefit agriculture were not, however, limited
241 to agricultural legislation. The new tariff policy inaugurated by the
652 National Peasants on August 1, 1929, was specifically designed to assist the farmer. The National Peasants had consistently attacked the Liberals' (and the People's party's) tariff policy, which was highly protectionist, raised the cost of agricultural equipment, and was "in its technical structure a feeble instrument of negotiation for securing markets for our export products."[57] The new tariff was, as Madgearu announced, based on the recommendations of the Geneva Conference of 1927. It created a more elastic customs system to permit commercial conventions with other states. Duties on goods were divided into two groups: 1) irreducible minimum duties for goods produced within the country and requiring protection; these could not be reduced through convention; 2) duties on all other articles, which could be reduced through mutual arrangement with other states. Even before signing any customs conventions the government reduced the duties on agricultural equipment.

In thus lowering the cost of imported agricultural equipment as well as in reducing tariffs on articles of mass consumption, the 1929 tariff undoubtedly benefited the peasant. As to the protection of industry, "it was in general calculated so as not to exceed the difference by which the conditions of local production were more difficult than conditions of foreign production, and only for branches of industry which had the possibility of sound development in the country."[58] The tariffs did not renounce industrial protection but tried

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[56] Note, for example, Madgearu's remark, "Up to 1929 agricultural instruction in Rumania was based on no uniform principle, nor was it adapted to the situation, since its organization was not based on legislation which could solve the problem as a whole." *Rumania's New Economic Policy*, p. 12. Clearly the real reasons for Rumania's lack of adequate agricultural education were not to be found in the absence of a uniform legal code.

[57] Madgearu, *ibid.*, p. 39.

[58] Madgearu, *Evoluţia economiei româneşti*, p. 221.

to protect only those industries showing "natural" promise of develop- 665 ●
ment and to promote the necessary rationalization of those industries 241
which had been permitted to become inefficient behind the Liberal 652
tariff.

Throughout Madgearu's exposition of the 1929 tariff there is an 457
evident desire to increase international cooperation and trade, and 665
an altogether friendly attitude toward the great capitalist powers— 652
an attitude quite different from Vintilă Brătianu's cautious and rather
grudging admission of the need for increased trade and foreign capi-
tal. This attitude is most clearly shown in the laws of 1929 modifying [671]
the Liberal acts of 1924 on mines and the commercialization of state-
owned enterprises.[59] The National Peasants criticized the 1924 laws as chauvinistic and failing to promote the exploitation of natural resources. "The aggressive nationalist policy exemplified in the Mining Act of 1924, which did so much harm to the country, bringing it into a state of financial and economic disorganization, could not continue without grave consequences for our economic future. A policy of sincere co-operation with international capital is the only means of improving the situation." [60] The new laws threw open the doors to foreign capital. With the exception of requiring that 75 per cent of the personnel (both administrative and subordinate) be Rumanians, no restrictions were placed on the percentage of foreign capital in the companies or upon the nationality of directors and chief officials.

These laws were in marked contrast not only to the attitude of the 652
Liberals but also to the policy recommended by Constantin Stere in 665
1921.[61] Stere, with his hostility to "vagabond capital" and the menace of imperialist great powers, opposed foreign capital investments in the Rumanian petroleum industry, since all profits passed beyond the frontiers. Nor was foreign capital concerned with satisfying the needs of the population but only with raking in a profit. He was, however, aware that without foreign capital the resources simply could not be developed. He disapproved of the Liberals' policy of "nationalizing" petroleum and creating concessions with a majority of Rumanian capital. Having no confidence in the Liberal plutocracy's willingness or ability to defend the nation's interests, Stere advocated state operation of the petroleum industry. Foreign capital

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[59] A detailed comparison of Liberal and National Peasant policy on this question, from a pro-Liberal position, is given by Alexandre G. Georgesco, *Le Régime juridique et financière des capitaux étrangers en Roumanie* (Paris, 1932).

[60] Madgearu, *Rumania's New Economic Policy*, p. 80.

[61] C. Stere, *Naționalizarea Industriei de Petrol: Cuvântare rostită în ședința Adunării deputaților din 28 Martie 1921* (Bucarest, 1921).

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652 should be obtained not through investments but through loans under-
● 665 taken by the state. In this way Rumania would have full control over
the allocation of capital and would not, except for the interest on loans, see the profits from the oil industry go abroad. The petroleum policy of the National Peasants, as formulated in 1929, was even more removed from Stere's recommendations than from the Liberals' policy. It was, however, perfectly consistent with their economic outlook during their term in office.

665 Rumanian transportation and communications had been in no-
652 toriously bad condition since the First World War, and the Liberals'
496 policy of retrenchment had been particularly damaging to the rail-
464 way system. The 1929 stabilization loan allocated $34,000,000 for
471 railway expansion and $9,000,000 to pay off overdue railway debts.
491 By a law passed in July, 1929, the National Peasants transferred the state railways to an autonomous public body, "to be administered
206 according to commercial principles."[62] They also undertook to repair and extend the highway network, and abolished the primitive *corvée* which was still being used for road maintenance. In 1930 the International Telephone and Telegraph Corporation received a concession for the construction of the Rumanian telephone network.

-665 The stabilization loan required a reform of the National Bank and of the state accounting system. In March, 1929, the government passed a series of new statutes for the bank; the principal changes were the abolition of the ceiling on the issue of currency, established by the Liberals' in 1925, and the limitation of the influence of the state in the appointment of directors. The bank was given somewhat greater independence from state control and powers to maintain the newly achieved stability of the currency. In July, 1929, the government passed a law reforming the state accounting system and the organization of the budget. There was no doubt that Rumanian state finances needed reform and modernization. The accounting system had been that of France of 1860, plus the accretion of a number of purely Rumanian practices, with the result that the actual condition of government finances at any given time was never known with any exactness. The new law, in reorganizing the preparation of the budget, exerted more stringent control over the expenditures of various ministries. While this law was well intended, its actual results in rationalizing Rumanian finance methods seem to have been very slight. In 1929, 1930, and 1931 there was an increasing disparity between budget revenue forecasts and actual receipts. ● 665

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[62] Madgearu, *Rumania's New Economic Policy*, p. 80. The organization of Rumanian railways after 1918 had been altogether hectic. In 1925 the Liberals had given some autonomy to the railways; this policy was reversed by the People's party in February, 1927, and reestablished by the Liberals in August of that year.

Certain late measures of the National Peasants will be considered presently in connection with the depression. But from the above it should be evident that during their brief term in office they passed a great deal of legislation, generally consistent in aim, and definitely reversing the main lines of the Liberals' policy. The most important measures, however, were not in the field of agriculture.

665 ,575 A word might be said on the relation of the National Peasants to foreign agrarian movements. Throughout eastern Europe a strong agrarian current appeared after the First World War. More or less extensive land reforms took place in the belt of states between Soviet Russia and central Europe, and peasant parties of varying political shades made their appearance. In 1921, on the initiative of the Bulgarian Peasant Prime Minister, Alexander Stambuliski, and with the support of the Czech agrarian leaders, Antonin Švehla and Milan Hodža, was formed the International Bureau of Agriculture, known as the Green International. Initially the bureau, which established its headquarters in Prague, was an organization for cooperation among the agrarian parties of the Slavic states of eastern Europe. In 1923, Virgil Madgearu, in discussing the international policy of the Rumanian Peasant party, showed a lukewarm attitude toward the Green International. In his opinion, its purposes were not clearly defined and it displayed a tendency toward Pan-Slavism which would scarcely recommend it to the Rumanians. Above all, he felt that international peasant action had only limited value. "The nation is a decisive factor in determining social progress, since no political party can form itself on an international base. Internationals can be annexes to the development of political action; they cannot become supranational."[63]

The Green International broadened somewhat in the following years. In 1925 Hodža defined the scope of the movement: "We know that agrarian democracy . . . is the strong bond which will create of the peoples an international unity, a formal, organic and psychological unity against which all attacks, whether directed by the imperialist right or the bolshevist left will be shattered."[64] The bureau's secretary Karl Mečir pointed out that the peasantry by their very nature and strong local attachments were not to be organized into a rigid international. The purpose of the movement in his eyes was to

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[63] *Doctrinele partidelor politice*, p. 86.

[64] Milan Hodža, "La Politique étrangère et l'organisation internationale des agriculteurs," *M.A.B.: Bulletin du Bureau International Agraire*, 5-6 (1925), 33.

665 serve as a clearing house to establish common ties and to exchange
575 information.[65] In its general lines it represented an attempt to defend the eastern European peasantry against the more highly organized forces of industrialism and the dynamic inroads of Soviet communism.

In 1926 and 1927 the Rumanian and Finnish Peasant parties joined the Green International. There were no real meetings until 1928, when the bureau was formally constituted. After that annual congresses were held until the movement was engulfed by the depression and the political storms of the 1930's. Eventually it came to include peasant parties from Czechoslovakia, Bulgaria, Yugoslavia, Rumania, Austria, Switzerland, Poland, France, the three Baltic states, and Finland. Although Mihalache had spoken of the rising peasant tide in eastern Europe, and Madgearu and Lupu contributed articles to the later issues of the bulletin of the Green International, it appears to have had no effect upon the course of internal Rumanian politics, and the Rumanians were among the less active members of the bureau.

A far more active, though in its aim unsuccessful, international effort was the agrarian bloc of eastern European states, in which Madgearu played a prominent part. This bloc had its origins in the growing agricultural crisis of 1930. The failure to obtain any favorable action at the first preliminary international conference for concerted economic action (held in Geneva, February 17 to March 24, 1930) led some of the agrarian states of eastern Europe, with the Little Entente at the core, to act together in defense of their interests. A series of conferences at Štrbske Pleso, Bucarest, and Warsaw during the summer of 1930 were attended by representatives from Bulgaria, Estonia, Hungary, Latvia, Poland, Czechoslovakia, Yugoslavia, and Rumania. The attempt was made to coordinte the economic policy of the members of the bloc and to obtain better commercial conditions from the industrial states. The failure of the bloc to achieve its aims belongs, however, in the more general framework of the depression.[66]

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656 The economic, agrarian, and administrative policy of the National Peasants in 1929 and 1930 has definite homogeneity. A prevailing emphasis upon decentralization and autonomy appears in the administrative reform, in the laws for mines and state enterprises, in the reorganization of the cooperatives. An attempt to relax restric-

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[65] Karl Mečír, "Le Bureau International Agraire," *M.A.B.: Bulletin du Bureau International Agraire*, 4 (1926), 26–29.

[66] See below, pp. 184–185.

tions and to permit a natural circulation is seen in the abolition of the 665 censorship and state of siege, in the 1929 tariff, in the law permitting 656 the free sale and purchase of peasant property. A friendly attitude toward foreign capital appears in all the laws on trade and the exploitation of natural resources and in the important concessions granted to foreign firms. Finally, a concern for agriculture is shown not merely in the agrarian laws but in the tariff and financial policy. While many of these measures failed to produce the anticipated results, and some were applied inefficiently, still, taken together, they constitute a recognizable policy and one quite different from that pursued by the Liberals. The conflict between the National Peasants and the Liberals was not merely a struggle for office and a place at the feeding trough, although it is not difficult to cite instances where *mirosul fripturei* ("the fragrance of the roast joint") played an important part.

Two questions, however, must be answered. Was it a peasant program? 665 Was it adequate to the economic needs of Rumania, and in particular did it provide a solution to the agrarian question?

From the preceding discussion of the development of the party's ideology, its modifications of program, and its actual policy there can be little doubt that the National Peasant government was not very "peasantist" either in its composition or in its activities. That is not to say that the National Peasants lacked an agrarian program or that they were indifferent to the peasant; certainly the party regarded itself as the spokesman of the peasantry. But in the course of the party's evolution, from its inception after the war to its arrival in power, a significant change had taken place. Perhaps it was mostly a change in emphasis. Initially as was so well shown in Mihalache's speeches, which are more representative than Stere's more sophisticated arguments, stress was upon the peasant and upon the measures which should be taken to improve his condition. When the party came to power, the chief concern was for greater political democracy and more economic liberty, from which the peasant was to benefit. To some extent this shift showed the influence of the Transylvanians with their middle-class and professional interests, but the Peasant party itself had gone a long way in this direction. Moreover, this change was quite natural, given the passage of time and the subsiding of social ferment. But if such a change was natural, it was also dangerous: in Rumania, if the peasant did not command first attention it was too easy for him not to be taken into consideration at all.

The most important reason for this change, and it has been a fatal defect of most peasant parties, is that a purely peasant movement

665 is almost impossible to sustain both because of the nature of its support and the limitations of its program. Because of their relative physical isolation and simple, often primitive, way of life, the peasants are exceptionally difficult to organize politically. A peasantist philosophy has proved to be uncertain and ambiguous in its aims; it can provide mood and feeling, and is a natural inspiration to poster art, but it becomes confused on the more practical level and for a very fundamental reason. Those elements which are celebrated in the peasant—the primordial qualities, the roots planted deep in the earth—represent everything which the modern world is not. In so far as the peasant is defined in these terms, he provides no clue to the solution of the manifold problems confronting contemporary society.

Therefore one can either reject the peasant outright as an essentially neutral or negative factor, as was the tendency among the Liberals and the Social Democrats,[67] or attempt to broaden the peasant concept by adding, often quite eclectically, other principles. This, in fact, has happened to most peasant movements in practice. Various types of alliances can be made, sometimes with conservatism [68] or with socialism.[69] The actual course which the Rumanian peasant movement took was to absorb Western political and parliamentary democracy together with some of the forms of liberal capitalism—the "trust-busting" capitalism, which believes in free enterprise but favors state intervention to prevent the formation of trusts and monopolies. By this means the peasantry, comprising the greatest numbers of citizens, became identified with the majority will of political democracy, and the economic welfare of the peasant with the belief in economic advance through the free competition of an idealized capitalism.

Apart from internal reasons, such as the conflict with the Liberal party, certain external circumstances help to explain this particular development. In the years immediately after the First World War Germany was in eclipse, the Soviet Union was in the midst of a social experiment of which none of the Peasant leaders wanted any part, and the Western powers, particularly Great Britain and the United States, were clearly the dominant states. As a result one finds among the writings of the National Peasants a rather curious Anglo-Saxon overlay, both in political and economic affairs.

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[67] Thus, the super-Liberal Zeletin said: "The peasant is the very personification of the principle of inertia: he wishes to be just as his ancestors were. For him tradition is sacred. . . . Capitalism raises itself on the ruins of the agrarian classes, peasants and boyars." *Neoliberalismul*, pp. 16, 20. The Social Democrat Ilie Moscovici concluded that the peasant "cannot be a factor of progress as producer, cannot give new methods of production, cannot enrich society. The peasantry has no immediate interest in changing social *forms*; by its individual property, its isolated work, its narrow horison, it forms a conservative element, almost the most conservative in contemporary society." "Lupta de clasă şi transformarea socială," *Doctrinele partidelor politice*, p. 302.

[68] C. Rădulescu-Motru thought there was a natural alliance between the peasantry and the enlightened conservatives. He sought to develop this idea in his study, *Ţărănismul, un suflet şi o politică*.

[69] In Rumania this effort took two forms: an internal alliance with the socialists, if the latter would drop their doctrinaire attitude toward the peasantry; or externally, seeing in the Western proletariat an ally in the common struggle against the domination of Western industrial capitalism.

The National Peasants are not necessarily to be reproached for having thus donned a somewhat eclectic garment; the narrowness of pure peasantism rendered some such addition necessary, especially when the party came into office. But it may be doubted whether in fact this combination was able to help the peasantry. In the first place, one of the most profound evils in Rumanian society has been the abyss between the peasant and the governing and urban classes. Although Rumania was not a caste-bound society, but had a constant if not very voluminous movement up from the peasantry, the transition—symbolized by discarding the *opinci* (peasant footwear) for shoes and acquiring a knowledge of French—was very sharp, and the persons who had crossed the line were all too tempted to escape as far as possible from their peasant origins. Under these conditions the Peasant party's absorption of nonpeasant principles was the beginning of its actual alienation from the peasantry. Indeed, in the 1930's and 1940's the National Peasants, as a party, became increasingly removed from their rural origins.[70]

In the second place, it is doubtful whether free competition is unqualifiedly beneficial in Rumania's case. Internally, the policy of "natural selection" among the peasants had as its aim the creation of a prosperous middle peasantry. The drawbacks of this policy in a country of small holdings under 3 hectares with an increasing pressure of population have already been discussed. It might of course be maintained that such a process of selection—whatever its hardships on the submarginal cultivators—was a necessary step to creating a sound peasant economy. But for political if not for other reasons this created a serious contradiction between the National Peasant party's role as standard-bearer of the peasantry and the actual effects of such a policy upon a large percentage of the peasants.[71] Externally, the approach toward freer trade and the abandoning of industries unless they were capable of "natural" development (though Madgearu was not against protection of infant industries) had certain shortcomings. Recent economic analysis, admittedly still under debate, has considerably modified the definition of the natural development of industry through the idea of "social marginal net profit" and "external economies."[72] It has also raised doubts whether a small backward state should regard classical free trade as an ideal policy. Aside from the theoretical aspects of the question, it is obvious that the success of such a policy is dependent upon a congenial atmosphere in the realm of international trade and finance.

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[70] The National Peasants whom I met in 1944, in Bucarest or at their country estates, could hardly have been called representatives of the peasantry. Many of them were democrats politically (though some were not) but one had the feeling that they regarded the "good peasants" as something essentially *other*. They were mostly middle-class lawyers, doctors, engineers, and business men who regarded Mihalache's continued use of peasant clothes with gentle amusement as rather quaint.

It was the unhappy fate of the National Peasants to have based their policy upon a world situation which was just on the brink of collapsing in the great depression and which, to date, shows little sign of returning to those conditions upon which their foreign commercial policy was founded.[73] Of course, the National Peasants can hardly be blamed for not foreseeing the consequences of the world collapse. Nevertheless the fact that they had thus committed themselves to a pattern which was to be shaken to the ground had fatal consequences for their internal position. They had abandoned the narrowness of the original radical peasantism of 1920–22 for a more promising set of ideas, and when these collapsed their economic program was bankrupt.

Similarly, in the political field they had rested their hopes upon political democracy—again by a somewhat too formal acceptance of Western principles. When Carol and the rising antiparliamentary movements began to come into action in 1930 and 1931, they were defenseless. In 1928 the National Peasants won much praise for the orderly behavior of their mass demonstration at Alba Iulia and their official disavowal of the one column of peasants which had half-heartedly started a march to Bucarest. This very spirit, which was essential to their constitutional and legal principles, helped to cause their subsequent downfall. In abandoning, perhaps inevitably, the strong peasant fervor in favor of majority parliamentary support they failed to preserve their ultimate point of support.

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[71] The Communists, of course, have seen in this contradiction a betrayal of the peasantry by a party which had come to represent the lower middle class and the wealthy peasants. Admitting the contradiction, this charge can be judged only in connection with the success of the Communists' efforts at a solution. See below, pp. 325–327.

[72] Cf. P. N. Rosenstein-Rodan, "Problems of Industrialisation of Eastern and South-Eastern Europe," *The Economic Journal, 53* (1943), 202–211, and a criticism by Yuan-Li Wu, "A Note on the Post-War Industrialisation of 'Backward' Countries and Centralist Planning," *Economica, 12,* New Ser. (1945), 172–178.

[73] In 1930 Madgearu said: "A new economic ideology was spreading over Europe—the spirit of international economic co-operation, which asserted itself so impressively at the Geneva Economic Conference in May 1927. Rumania understood the spirit of Geneva . . ." *Rumania's New Economic Policy,* p. 39.

The combination of their political and economic principles, which clearly had a mutual effect upon one another, thus led to their overthrow under the impact of the depression and in the particular circumstances of Maniu's quarrel with King Carol.

In comparing the Liberals and National Peasants, in many ways antithetical, one is struck by a curious parallel between them. Both were somehow out of phase with world developments. The Liberals embarked on a policy of economic nationalism and semiautarky during just the years Europe was making a last if unsuccessful effort to restore the old economic order. The National Peasants, when they came into office, attempted to reverse Rumanian policy at just the time when the European economy was moving into a new stage of economic nationalism. Both parties fell into contradictions arising from their Western preoccupations and the realities of the Rumanian situation. The Liberals in attempting to copy Western capitalism ceased to be "liberal" in the process; the Peasants in attempting to copy parliamentary democracy ceased to be "peasants." The Peasants' economic policy bore a far greater resemblance to traditional liberalism than did that of the Liberals, whereas the Liberals' economic policy—at least in its restrictions and hostility to Western capital—had points in common with the initial attitude of the Peasants.

The following decade was to witness an attempt to overcome these contradictions by carrying certain of the implications to an extreme degree. The Liberals' economic policy, if it was to be realized, implied a move toward corporatism and more state control: this was to be the line followed by the neoliberalism of the Carolist period. On the other hand, the failure of the National Peasants to safeguard the peasant was the cause, in part at least, of the upsurge of the Iron Guard. In both cases the parliamentary pattern was dropped.

mirers. His individualism, or perhaps his vanity, had made him an uncertain political ally, and he took to himself the role of mentor and guardian of the Rumanian national consciousness. His efforts in politics, however, were far less impressive than his output as a historian.[1] 159

The government's term in office was not edifying.[2] As the economic situation deteriorated, the complete absence of any organized political support made itself felt when all the other parties began a violent press campaign; the Liberals belabored Argetoianu's financial policy as one of bankruptcy; the Transylvanian press threatened a demand for autonomy; the aging Marshal Averescu, bitterly disappointed by Carol's failure to select him as man of the hour, assailed both the government and the king. A crisis rose between Carol and the government over the salaries of state officials. The government, faced by a bad deficit and the failure to obtain an additional loan from France, was attempting to reduce official salaries. Carol opposed this and forced Iorga's resignation on June 6, 1932. 175

After an unsuccessful effort by Titulescu, the National Peasants, 665 under Vaida Voevod, were recalled for their second term of office. In 175 the elections of July they obtained only 45 per cent of the votes, a great decline from their 80 per cent of 1928, but sufficient to give them the premium. The Iron Guard and other fascist groups showed gains and won some additional seats, primarily in Bessarabia, the region of deepest discontent. An effort was made to bring Maniu out of retirement; he did resume leadership of the party but was unable to reach an understanding with Carol.

The program of the new National Peasant government was along the same lines as its predecessors and included the reintroduction of the administrative decentralization law, which had been revoked by the Iorga government; a modification of the electoral law, which all parties promised to change but which they somehow did not get around to when in power; and a reduction of taxes and expenditures. The party had an initial success in obtaining a Swiss loan of 50 million francs for the payment of back salaries of state officials. In October, however, Vaida Voevod resigned after a disagreement with the influential Titulescu on the question of Rumanian-Soviet nego-

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[1] For a recent tribute to Iorga, who was assassinated by the Iron Guard in 1940, see John Campbell, "Nicholas Iorga," *The Slavonic and East European Review*, 26, No. 66 (November, 1947), 44–59.

[2] For a particularly jaundiced account of the Iorga-Argetoianu administration see G. C. Logio, *Rumania*, pp. 39–52. Logio, as a foreign business man, was especially bitter on the subject of Rumanian business ethics and heartily disliked Carol, "who promulgates rascally laws defrauding the unwary foreign investor and trader."

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●665 tiations,[3] and was replaced by Maniu, with Titulescu as Foreign
175 Minister. On January 8, 1933, Maniu again broke with Carol, and
on January 14 Vaida Voevod returned to head the government.[4]

By this time the National Peasants were badly disorganized. With Carol's assistance a definite split in the party leadership between Maniu and Vaida Voevod was developing and was to lead to a rupture in 1934. The government itself had not only lost its peasant enthusiasm but under Vaida Voevod's leadership was rapidly drifting into the political habits of the Liberals. On the first of February
668 oil workers at Ploeşti struck over a wage decision, and a fight en-
665 sued between strikers and troops. At the same time in Bucarest some
175 7,000 workers in the state railway shops went on strike. The government hastily proclaimed martial law in Bucarest, Cernăuţi, Galaţi, Iaşi, Timişoara, Ploeşti, and the oil fields. The Communist party and its affiliates were again dissolved, the government passed laws against antisocial and antistate organizations, and over 200 Communists were arrested throughout Rumania. This brought a protest demonstration from the railway workers, troops were called out, and there was a vicious street fight.

To some extent this tension was a fatal by-product of the deepening depression, and the strikes, while obviously having their roots in the misery of the Rumanian industrial workers, were not confined solely to economic demands. Indeed, since the installation of the Groza regime, the Communists have played up the revolutionary elements of the railway strike and the guiding role of the Communist party in it. Even so, the government all too hastily resorted to the
175 very measures for which it had so long taken the Liberals to task.

665 Moreover, while Vaida Voevod was thus combating labor unrest,

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[668] [3] Rumania and Soviet Russia had not resumed diplomatic relations since the First World War because of their inability to reach any agreement on Bessarabia. In January, 1932, the Poles, with French urging, had signed a treaty of friendship and nonaggression with the U.S.S.R. Now Poland and France were pressing Rumania to do the same. Vaida Voevod, apparently without consulting Titulescu, had instructed the Rumanian representative in Warsaw to negotiate with Litvinov. Titulescu had heard of his move and had objected to the manner in which the negotiations were being conducted and especially to the possibility that Bessarabia might be recognized as a subject of dispute. In this disagreement Titulescu was sufficiently influential to squeeze out Vaida Voevod.

[4] In this instance the specific difficulty arose over the dismissal of Colonel Marinescu, Prefect of Bucarest. Carol had been installing military officers in a number of civil posts. The National Peasant government undertook to replace them by civilians. Colonel Marinescu, in a circular letter, denied rumors that he was about to be removed and said that since he was appointed by the king, only the king could remove him. Mihalache, Minister of the Interior, then demanded his resignation, and failing to obtain it resigned himself. Maniu supported Mihalache and the cabinet resigned.

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he was on good terms with the up-and-coming Iron Guard. Indeed, a year later he said, under oath, that as early as 1929, when he had been Minister of the Interior, he had been in touch with the Iron Guardists for the purpose of directing their youthful enthusiasm toward less extreme ends and "of drawing the attention of the organization to the necessity of combating Communism."[5] In 1934 Vaida Voevod, after failing to get the National Peasants to accept his "numerus Valachicus"—a device to oust non-Rumanian minorities, especially the Hungarians, from posts in the government and in "nationally important enterprises"—abandoned the party and formed his own hypernationalist, semifascist political group.[6]

In November, 1933, the Vaida government resigned, partly at least because of the king's dissatisfaction with its handling of the increasing fascist activity and its failure to prevent attacks directed against himself, Mme Lupescu, and his entourage.[7] After five years out of power the old Liberals, under Duca, came into office on November 14. Duca, who, like Vaida Voevod, stated that he had tried to "channelize" the energies of the Iron Guard, undertook to dissolve the movement on the eve of the new elections. On December 29 he was assassinated by three Iron Guardists at the Sinaia railway station. After several days' confusion, Gheorghe Tătărescu became head of the Liberal cabinet which was to remain in office until November, 1937. 175

During these three years of hectic political changes, five main developments are observable:

1) The growing influence of the king. While Carol was unsuccessful in establishing a government of personalities, he was making rapid progress in unraveling the old political fabric and undermining and splitting the leadership of the major parties. He was also increasing his extraparliamentary influence through his camerilla and through his appointees in administrative posts.

2) The increasing paralysis and confusion of the National Peasants. As has been seen already, their decline was more or less implicit in the situation as of 1930, and during the following years the

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[5] *Patria*, March 31, 1934, quoted in Pătrăşcanu, *Sous trois dictatures*, p. 76.

[6] See C. A. Macartney's account of a conversation with Vaida Voevod on the "numerus Valachicus," *Hungary and Her Successors*, p. 298.

[7] Although internally Rumanian politics were moving to the Right, the Vaida government did, in July, sign the London Convention defining aggression, to which the U.S.S.R. was also a signatory. This step, which marked a slight improvement in Rumanian-Soviet relations, was a part of the realignment of forces after the rise of Hitler.

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IX

THE CAROLIST PERIOD: NEOLIBERALISM, 1934–37

Survey of Political Events

THE term neoliberalism, which may appear a gross misnomer 665 ● for these singularly unliberal years, is descriptive of two facts: 1) The Liberal party returned to office and, what is more, remained there for the full term of four years, thus repeating its record as the only party under the 1923 Constitution to achieve such a feat of endurance. Nevertheless, the Liberal cabinet of the 1930's was not the same as the party of Ion I. C. and Vintilă Brătianu. Not only did King Carol really hold the leading strings of political power but within the Liberal party itself (not to speak of Gheorghe Brătianu's Young Liberals) there was a growing cleavage between Gheorghe Tătărescu, the head of the government, and Constantin Brătianu, the third of the elder Brătianu brothers, who was party chief. This split did not become open until later, but Tătărescu as a king's man was clearly moving away from the old lines of the Liberals. 2) The leading ideas of the administration at this time have a certain relation to the doctrine of so-called neoliberalism, which was advanced in the 1920's but which at that time was associated with Averescu's People's party.[1]

The years 1934 and 1935 were a kind of plateau in the troubled 115 history of the 1930's. The depression leveled off and there was a slow 648 move toward recovery. The political party system, while basically completely unstable, did at least pause from the rapid changes of government which had marked the years 1931–33. King Carol seemed less bent on securing a personal political dictatorship. Even on the international scene there was a temporary, if uneasy, breathing spell. The first impulse of fascism which had brought Hitler to power had not set all of east Europe tumbling as had been feared. Rumania reestablished diplomatic relations with the U.S.S.R.[2] The Lit-

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[1] The People's party was a melange of "regenerated" liberalism combined with an emphasis upon order and discipline, plus a great deal of crass opportunism.

[2] Without, however, obtaining a clear statement of recognition of its possession of Bessarabia. For a discussion of this point see Philip E. Mosely, "Is Bessarabia Next?" *Foreign Affairs*, *18*, No. 3 (New York, April, 1940), 557–562.

648 appears to have been the consequence of personal differences but presaged a shift in Rumania's international orientation. As Rumania had been one of the principal gainers in the First World War, all the governments up to this time had a similar foreign policy, pro-French and against any treaty revision, which indeed was the only way Rumania could preserve its new territories from Hungarian, Bulgarian, and Soviet claims. When it became clear that the Western powers had lost the initiative, foreign policy became less simple. The extreme Right was vociferously pro-German. Carol personally would have preferred to stay clear of German influence, since only the Western attachment gave promise of guaranteeing all the territories acquired by the war. But if Britain and France weakened, he was inclined to improve his relations with Germany. Rumania's relations with the U.S.S.R. had improved somewhat in the 1930's, but it was a negative improvement—a hope of assurance against Soviet attack. The underlying hostility between the two powers was deep and so pervasive as scarcely to require any discussion. Thus in 1937 Carol stated to Wickham Steed that the chief difficulty of Rumania's position lay in the fact that "the immense weight of Russia was always bearing upon her and she had to withstand it as best she could. Russia was, so to speak, the hereditary enemy. As regards Hitler, he felt admiration for Hitler, whom he did not look upon as a sinister or dangerous man."[7]

● 665 From 1936 on, as a consequence of this shift in the international balance, the extreme Right became more and more blatant; anti-Semitic activities increased in extent and vileness; university students showed the advantages of their education by attacking Jewish shops; hostility and scorn for the decadent democracies became the vogue; defections from the old parties decreased their strength and added to the forces of the Right.

During this time the National Peasant party, as the principal nonfascist opposition to the government showed little strength or determination. Mihalache did attempt to reinvigorate the peasantist element in the party's ideology and formed a "peasant guard" to protect National Peasant meetings from fascist bullies. In May, [668] 1936, there was a demonstration of some 80,000 peasants in Bucarest, directed against the Liberals, demanding better conditions for peasants and workers and decrying the tolerance shown to the fascists. These efforts, however, had no significant results.[8]

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[7] Quoted in Pavel Pavel, *op. cit.*, p. 139.

[8] According to Pătrășcanu (*Sous trois dictatures*, p. 114), the National Peasants had planned a large demonstration in November, 1935, but had canceled it upon Carol's promise that the Liberal government was about to fall and that they would succeed it.

In November, 1937, the Liberal government reached the end of 175 its term and resigned. Carol requested Mihalache to form a new 665 cabinet, on the unacceptable condition that he collaborate with Vaida Voevod. On his refusal, Tătărescu was recalled to form a cabinet and prepare for elections. He obtained Iorga's collaboration and made an electoral pact with Vaida Voevod's nationalist group. Then, to the general surprise, it was announced that Maniu and the Iron Guard leader Codreanu (and also Gheorghe Brătianu) had formed a non-aggression pact to insure free elections. This pact in recent years has been loosely used by the Communists to prove Maniu a pro-fascist. Such an interpretation obviously will not hold water, and there is no reason to doubt that his purpose in making the pact was as he defined it: to guarantee that Tătărescu could not employ the usual method of fixing the election. It was not a political agreement nor were joint lists established. It might also be added that the Rumanian Communist party gave its support to the National Peasants even after the pact with the Iron Guard.[9]

Nevertheless, the pact was a blunder. It was bound to have a demoralizing effect upon democratic elements struggling for survival to see an alliance between Maniu and the frank and open enemy of democratic and parliamentary institutions, especially since the National Peasant electoral campaign could not be directed against the Iron Guard. Codreanu certainly had much more to gain from such a pact in being able to associate his name with Maniu's. Above all it showed the National Peasants' own loss of confidence in themselves or their ideas, and was in the sharpest contrast to their refusals to make any deals on the road to power in 1927 and 1928. The defection of some of the outstanding leaders of the party in the following months was a further indication of the disruption of the party.

The pact was, however, successful in its immediate aim; by the balancing of forces which it achieved the elections were relatively free (though they elicited a low turnout of the electorate, a sign, perhaps, of the decline of parliamentarism).[10] For the first time in Rumanian history, and the last, a government in power failed to get the 40 per cent of the votes necessary for the premium. The government obtained 36 per cent, the National Peasants 21 per cent, the

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[9] *Ibid.*, p. 188.

[10] Whereas in the 1928 elections 77.4 per cent of the registered voters actually voted, the percentage dropped off steadily in subsequent elections; in 1937 the figure was only 66 per cent. It is possible, and it has been suggested, that government pressure in 1937 kept people from the polls in some areas. A very interesting analysis of this election is given by C. Enescu, "Semnificaţia alegerilor din decemvrie 1937 în evoluţia politică a neamului românesc," *Sociologie Românească*, 2, Nos. 11–12 (November–December, 1937), pp. 512–526.

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175 Iron Guard 16 per cent, and the National Christian party (the fu-
665 sion of Goga's and Cuza's nationalist, anti-Semitic parties) 9 per cent. Rumania's curious electoral system had broken down. The Liberals' failure was clearly a loss of confidence. The National Peasants or the Iron Guard seemed the most likely alternatives.

At this point, however, Carol moved in and on December 28, 1937, called upon the Transylvanian poet and lyrical fascist, Octavian Goga, to form a cabinet. Carol's own explanation of this surprising decision, which was in fact the immediate prelude to his personal dictatorship, was that he had no alternative. He could not bring back the Liberals; he did not want the Iron Guard in power, so his only move was to spike the guns of the extreme Right by putting in another but less dynamic Rightist party. There was, of course, another solution: to have called in the National Peasants, but the personal feud between Carol and Maniu precluded that course. There is no evidence, however, that Carol was at all reluctant to take power into his own hands.

Goga was installed with a rather heterogeneous cabinet including Gen. Ion Antonescu and three runaways from the National Peasants, chief of whom was Armand Calinescu. This government had a brief and hectic career, notable chiefly for arousing foreign protests because of its anti-Jewish activities but for little else. On February 10 Carol ended the farce, dismissed Goga, and set up a government of National Union under the Patriarch Miron Cristea, including an assortment of old worthies: Averescu, Vaida Voevod, General Vaitoianu, Mironescu, Iorga, Tătărescu, Argetoianu, Calinescu, and General Antonescu. It was a strange collection when one considers Carol's advocacy of the "younger generation." The period of explicit royal dictatorship had started.

Economic and Agrarian Policy

642 If the drift toward a royal dictatorship was induced by the victories of fascism throughout Europe and by the political conflict within Rumania itself, a third reason was the economic policy pursued after the depression. While much of the dictatorial paraphernalia of these years may be attributed to Carol's personal tastes or to the political desirability of making use of the nationalist and fascist sentiments of the times, a quite separate impulse toward an authoritarian, corporatist society was contained in the economic policy of neoliberalism.

159 Perhaps the clearest illustration of this impulse is to be found

in the writings and career of the economist-politician Mihail Manoilescu, a man who never achieved his political ambitions in Rumania 159 but whose unorthodox economic writings have attracted a fair amount of international attention. Trained as an engineer, he became engaged in politics after the First World War as a member of General Averescu's People's party. In 1927 he was arrested by the Liberal government for his efforts to bring Carol back to Rumania; he was later rewarded by being foisted on the Mironescu cabinet as Minister of Industry and Commerce. Although he held a number of cabinet posts in the governments of the 1930's, he did not fare as well under Carol as he had hoped. He was, however, called to the foreign ministry in 1940, and had the unpleasant privilege of signing the Vienna Decree by which Rumania lost Northern Transylvania.[11]

Manoilescu began his political career as a neoliberal and as an 145 opponent of the peasantism (ţărănismul) of the radically inclined 159 Peasant party of 1922.[12] At that time he announced democracy to be his ideal and the essential truths of liberalism to be valid and timeless. He criticized the peasantist doctrine, elaborated by Madgearu and Stere, as anachronistic and self-contradictory. Since the land reform had already been achieved, the Peasant party, born too late, had lost its *raison d'être*. Like all opponents of the Peasants, he denied the homogeneity of the peasantry and its ability to act successfully as a class. He deplored the party's current emphasis upon class struggle, as beyond the powers of the peasantry to master and as dangerous to society. As for liberalism, he felt that its historical manifestations—as distinct from its essential principles—had been altogether too limited by an atomistic concept of society, by the passive role assigned to the state, and by the narrow definition of private property. Superficially, in his opposition to peasantism and his reformulation of liberalism, he was not far from the Liberal Duca.

But if one examines his neoliberalism of 1922 and 1923, certain very important differences appear. In the first place, he openly attacked the Rumanian Liberal party and was thus not obliged, as was Duca, to reconcile liberalism to the party of the Brătianus. Unlike Duca, who pleaded for "social harmony," Manoilescu was for a "political equilibrium" of the various independent productive groups which form society; he advocated vertical rather than horizontal parties. The principal difference, however, lay in Manoilescu's em-

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[11] A brief biography is given in the bibliography of his works: Florin Em. Manoilescu, *Bibliographie des travaux du Professeur Mihail Manoilesco* (Bucarest, 1936).

[12] His two principal studies in this connection are *Ţărănism şi democraţie* (Bucarest, 1922), and "Neoliberalismul," in *Doctrinele partidelor politice*, a lecture delivered in February, 1923.

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phasis upon economic productivity: "In order to live as a civilized state, Rumania requires the political and social form which will realize its energies to the maximum."[13] This emphasis had a decisive effect upon his whole line of thought. The peasant, because of his relatively low productivity, could not be the dominant factor in Rumanian social and economic life. On the contrary, Manoilescu defended the old Rumanian oligarchy which had been the necessary advance guard in the national awakening. Above all he saw society as a planned work of engineering. "To-morrow the principles of scientific organization will dominate the whole of society and will be applied to the entire system of national production as to a single enterprise."[14]

It was this ideal, and not any "regeneration of liberalism," which marked the real divergence of Manoilescu's neoliberalism from the views of the old Liberal party. This distinction is quite important. As has been seen, the Liberals had taken over nineteenth-century liberalism largely for nationalist reasons. In the course of applying it to Rumania, they had warped it beyond recognition, especially in regard to economic nationalism and state control. Nevertheless, it remained a derivative, if a perverted one, of the liberalism of the nineteenth century. As a result the Liberals were caught in a contradiction between their actual policy and their political philosophy, and it has been noted that the Liberal leaders justified their economic policy on grounds of temporary necessity or because of Rumania's backward condition. Even in their stress upon industry the old Liberals held a somewhat simple view of the exploitation of natural resources coupled with a nationalist desire to have a strong Rumania.[15]

In Manoilescu, on the other hand, economic productivity, that is, industrialization, was the focal point of his thought, and drove him entirely away from liberalism toward a doctrine of corporatism. Manoilescu's best known work, *The Theory of Protection and International Trade*,[16] shows a notable evolution from his articles of the

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[13] *Doctrinele partidelor politice*, p. 161.

[14] *Țărănism și democrație*, p. 50.

[15] In this connection it should be noted that Zeletin's neoliberal defense of Rumanian liberalism (see above p. 114) has a rather retrospective air, justifying Rumanian economic policy in terms of the earlier mercantilist behavior of the western European states. Zeletin also wrote a book on *Neoliberalismul*, but his point of view was quite different from Manoilescu's and really referred to the modifications of liberalism mentioned by Duca and appearing in the 1923 Constitution. Zeletin approached the subject in a quasi-Marxist fashion and regarded the development from liberalism to neoliberalism as one of historical necessity. Manoilescu, on the other hand, displays a marked voluntarism.

[16] The book was first published in French, *Théorie du protectionnisme et de l'échange international* (Paris, 1929); an English translation appeared in 1931; a

early 1920's although many of the changes were implicit in the earlier 665
writings. In 1923 he had wanted to reformulate liberalism to meet 159
contemporary requirements. By 1930 he was attempting a total 629
refutation of the classical theory of international trade as it had come 665
down from Ricardo. The core of his new theory, which he reiterated incessantly, was that "the product of the labor of an industrial workman is almost always exchanged for the product of the labor of several agricultural workmen." [17] From this premise he concluded that international exchange was only to the benefit of the industrial country and furthered the economic domination of the European industrial states.

> The economic domination of a country signifies the economic state which allows the produce of the labor of its workmen to be exchanged for the produce of a larger number of workmen of other countries. In the life of nations, as in the life of individuals, wealth never comes only from one's own labor. "Make others work for you" has always been the classical means of becoming wealthy.[18]

If an agricultural country is absolutely unable to produce industrial goods it is obliged to make this disadvantageous exchange, but if it can produce an industrial article—even at a permanently higher cost than a foreign industrial state—it should do so rather than import. Thus, even though it might require the labor of 300 Rumanian workmen to produce a quantity of cloth that could be produced by the labor of 100 British workmen, it would still be advantageous to do so, if, to import the cloth, Rumania was obliged to export a quantity of wheat which had required the labor of 500 workmen. With his theory of permanent protection, Manoilescu was quite critical of those protectionists, such as List, who had gone only halfway and rested their argument on the fostering of infant industries. He demanded protection, however, only for those industries whose "productivity surpasses the average productivity of the country." He opposed autarky, which he thought defensible only as a measure of preparedness for war, and did believe in an international division of labor, but one which was based upon specialization within different branches of the more productive industries.[19]

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revised and expanded version later appeared in German, *Die nationalen Produktivkräfte und der Aussenhandel* (Berlin, 1937).

[17] Manoilescu, *Theory of Protection*, p. vi.

[18] *Ibid.*, p. vii.

[19] It is unnecessary here to give an account of his quite lengthy effort to provide a mathematical refutation of the principles of free trade. His chief attack was upon

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Regardless of the theoretical merits or fallacies in Manoilescu's analysis, it is obvious that he had made a clean break with economic liberalism. Moreover, he flatly denied the premise upon which the Peasantist economists had based their argument.

> An agricultural country cannot raise itself by increasing slowly and uniformly the income of all its agricultural producers. Economic progress never spreads in a similar manner in all parts of a country. All the work of progress begins through a *center* or *nucleus of progress* and these nuclei are formed by the industries which represent a superior productivity.[20]

Far from admitting the Peasants' attack on "artificial industry," he held the artificiality of the support to be of no consequence so long as his rather loosely defined "productivity" increased.

The principal danger in Manoilescu's doctrine lay not in its stress upon industry nor in its denial of the ability of Rumanian agriculture to lift its own level of productivity. Industrialization in some form appears to be a necessary element in raising the miserable economic conditions of the peasant states of southeastern Europe, and it is quite unlikely that remedies sought in the agricultural sphere alone can produce an adequate alleviation. But in Rumania the critical question in many cases is not what is to be done but who is to do it.

In a country with such marked social and economic inequalities, with industry monopolized in the hands of a narrow, state-subsidized group, Manoilescu's doctrine of protectionism would have the fatal

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the famous Ricardian cloth and wine example of comparative costs in the determination of exports. In my opinion he gains little in attempting to make a logically watertight demonstration, and indeed by trying to establish an absolute argument on the basis of a much oversimplified model he weakens the argument that in practice the operation of free trade has caused backward agricultural countries very serious difficulties. In particular he seems to underestimate the problems involved in the task of increasing the productivity and capital intensity per worker and assumes that protectionism alone is an adequate stimulus for the industrialization of a backward country. To be sure some of his contentions, such as the distinction between "national gain" and "individual profit," have been considerably elaborated in recent years, and the recognition of the extent of hidden unemployment in a peasant society has led to numerous recommendations that planned industrialization is the only remedy; but such recommendations (e.g., K. Mandelbaum's *The Industrialization of Backward Areas*) are based upon premises quite different from Manoilescu's. For a critical appraisal of Manoilescu's theory see J. B. Condliffe's review in *The Economic Journal, 43* (1933), 143-145, and Jacob Viner's review in the *Journal of Political Economy* (1932). M. Kalecki's review of the German edition of Manoilescu's work, in *The Economic Journal, 48* (1938), 708-711, is relatively favorable as regards Manoilescu's recognition of the plight of backward countries, though critical of his theoretical approach.

[20] Manoilescu, *Theory of Protection*, p. 30, n. 1.

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effect of increasing this inequality and extending the power of the industrial groups. Moreover, the policy of extending protection exclusively to industry and not to agriculture—whatever its intrinsic benefits for the national economy—would mean increased costs for the agricultural sector, uncertain markets, and, at best, a forced transfer of personnel from agriculture into industry. Furthermore, if over three-fourths of the electorate belongs to the peasantry, it is difficult to see how such a process could be achieved within the framework of a representative government.

Manoilescu's response, quite naturally, was to abandon liberal politics and take up corporatism on the Italian model. In the 1930's he wrote a number of articles on the "Century of Corporatism." In 1934, for example, he made a comparison of the liberal, the Communist, and the corporative societies.[21] Corporate society "is characterized by *organization*. It allows freedom of individual possession of the means of production. The corporative economy assumes that the maximum of social welfare is realized by the discipline of economic activities in harmony with the ends of the state. Its motto is: National interest; its representative type: the organizer." Employing a quasi-scientific jargon, Manoilescu defined "corporative space" as a

> space where the egoistic impulses of the individual do not cease to exist and always represent active forces, but where, in addition to these forces [which are the sole qualities of a "liberal space"] there is a system of forces which direct individual actions toward a common goal created by the ends of the state. . . . Corporative space is a "magnetic field" dominated by national "lines of force" directed uniformly toward the ends assigned by the state.[22]

It is not necessary to take Manoilescu's utterances on this line very seriously or to inquire who was to determine these all-powerful state aims. He welcomed the coming of the royal dictatorship as the embodiment of the necessary revolution against outworn forms.[23] Apart from the vanity and opportunism which runs through his work, the significance of his writings lies:

1) in the evolution they display from the neoliberalism of the 1920's to the more thoroughgoing corporatism of the 1930's, and

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[21] *L'Espace corporatif* (Paris, 1934).

[22] *Ibid.*, p. 6.

[23] It is somewhat ironic that Manoilescu, who had boasted of his friendship with Mussolini and the Germans, should have been forced as Minister of Foreign Affairs to sign the Vienna Award in 1940, by which his *fascist* friends obliged Rumania to give up Northern Transylvania. The blow was so great that he collapsed at the conference table.

529 2) the distinctly undemocratic implications of this evolution in
665 economic ideas, at least in their Rumanian context.

It would be absurd to suppose that the actual development of Rumanian economic policy was based upon any such theoretical considerations, but there is a reasonably close parallel between the progress of Manoilescu's ideas and the development of the economic and industrial policy of the Rumanian government from that of the old Liberals under Vintilă Brătianu to that of the Liberal government of the 1930's. Although the old Liberals had favored a program of industrialization with state support, it was handled primarily through the private banks, controlled by the Liberals, and was directed chiefly toward extracting natural resources and creating secondary industries. Moreover, the tight-fisted fiscal policy of Vintilă Brătianu had served as a check on economic activity.

178 After 1933 industrialization proceeded at a much more rapid
433 tempo and in a somewhat different direction. The private banks after the depression played a less important part in financing industry; the principal initiative was by the National Bank or the state itself, both through state-owned corporations and through the growing importance of the state as consumer of industrial products. Expansion was most extensive in heavy industry; large cartels appeared and there was a notable concentration of industrial activity. Between 1933 and 1938 the number of "large" industrial concerns (i.e., with at least 20 workers and more than 10 horsepower) increased only from 3,487 to 3,767, whereas the installed horsepower increased from 529,965 to 746,789, and the employed personnel from 184,777 to 289,117.[24] The horsepower employed in capital goods industries increased from 287,266 in 1932 to 452,870 in 1937, as contrasted with a more modest increase from 237,442 to 289,666 in consumer goods industries. The output in quantity of capital goods had by 1937 increased by 57.4 per cent over the 1927 level, consumer goods by 45 per cent.[25] The production of steel, which had hit a high of 143,511 metric tons in 1928, and dropped to a low of 103,046 in 1932, rose from 144,766 tons in 1933 to 276,532 in 1938.[26] There was no doubt that the policy was directed toward heavy industry and was having results.

Two important reasons for this industrialization were, of course, the depression and the rearmament program. The collapse of the grain market and the spread of agrarian protectionism among the

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[24] Madgearu, *Evoluția economiei românești*, p. 149.

[25] *Ibid.*, p. 160.

[26] *Breviaire statistique de la Roumanie* (1940), p. 164.

3: Roberts S-4 (no date)1951 EDl Rumania EDl

case of Manoilescu.[33] The trend toward heavy industry was a forced development, carried on by monopolies subsidized and protected by the state—probably the only way in which such industries could have been created in short order. It did not reflect a growing individual domestic demand, as the state was the principal consumer for the new products. The increased industrial production was largely balanced by continued low imports. Thus, over the eleven years from 1927 to 1938, industrial production rose from 59 to 69 billion lei, but total industrial consumption fell from 93 to 88 billion because of a fall in imports from 34 to 19 billion lei.[34] 652

On the short run at least, and relatively if not absolutely, this forced development was at the expense of agriculture. Funds which might have gone into agriculture went into industry; the peasant as a consumer was obliged to pay high prices for industrial products. The relation between agricultural prices and the price of industrial products necessary to agriculture, which had dropped from an index of 100 in 1929 to 53.4 in 1934, climbed only to 63.9 by 1937. Clearly such a policy was exposed to opposition from an electorate consisting largely of peasants—if the representative parliamentary system functioned. The economic policy of these years by its very nature implied an extension of control over political activity. The Tătărescu regime was the last effort to carry on politics in the traditional manner, through a quiet perversion of the constitutional system, but the growing differences between Tătărescu and the old guard of the 435 665 ●

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[33] An excellent example of the political and social implications of this industrial drive is to be seen in a resolution of a congress of the Rumanian Federation of Manufacturers, held in Bucarest on February 3–6, 1936. The congress considered the industrialisation of Rumania necessary not only for the development of the country's natural resources but to provide employment and meet the requirements of national defense and the balance of payments. It demanded a stable system favorable to the development of industry; privileges on tariffs and railway rates; legislation requiring public authorities to obtain all their supplies from Rumanian industry; statutory recognition of agreements between industrialists having the object of "improving production and sales by lawful means." In the field of social legislation the congress demanded that employers should be relieved of all charges which did not correspond "either to the workers' real needs or to the capacity of Rumanian industry." Specifically, it proposed that representation of employers and workers in social insurance schemes should be proportional to the amount shared in their support, the repeal of payments to employees for the first seven days' illness, and the repeal of the employers' civil liability to an insured worker in case of accident. The supervisory rights of the Chambers of Labor should be limited to small manufacturers and they should not be permitted to "tyrannise over employers in large-scale industry." Finally, it demanded that the Federation of Manufacturers be consulted on all laws and regulations affecting industrial life. ILO, *Industrial and Labor Information*, 57, No. 13 (March 30, 1936).

[34] Madgearu, *op. cit.*, p. 257. There was, however, a rise in imports between 1934 and 1937 from 13 to 19 billion lei, corresponding to the general economic recovery.

665 Liberal party are indicative of the move toward a less inhibited industrial drive.

During the four years, then, between the depression and the inauguration of the Carolist dictatorship, it is possible to find inside Rumania, not to mention the external influences, three quite distinct factors making for the destruction of parliamentary government and the creation of an authoritarian regime:

1) Carol's own personality and his streamlined interpretation of the old-fashioned prerogatives of a monarch;

2) The unrest and growing extremism in broad sections of the population, which was finding a mouthpiece in the Iron Guard;

3) The economic policy of neoliberalism, which not only carried overtones of a more authoritarian state but through the centralization of economic power and control increased the possibilities of creating such a state.

656 435 While the general atmosphere of these years of neoliberalism resembled Manoilescu's teachings in its industrial protectionism, increasing economic nationalism, and growing corporatism, there was an important difference: contrary to Manoilescu's thesis, agricultural protection was maintained and extended. During the years 1935 to 1937 there was a complex system of minimum prices, state purchases, and export bounties for wheat. By the law of 1935 the government paid a minimum price of 35,000 lei for 10 metric tons of wheat weighing 75 kilograms per hectoliter. An export premium financed by a tax on milling, paid 10,000 lei per ten-ton truckload of wheat, and 12,000 lei per truckload of flour. This premium was dropped with the rise in agricultural prices but was reapplied in [647] 1938. A Wheat Valorization Office was formed to supervise these payments and to improve the quality of wheat. Similar steps were taken for medicinal plants, textile plants, and wool.

439 435 In 1936 Rumania signed a series of wheat export agreements with Belgium, the Netherlands, Greece, Italy, Germany, the United Kingdom, and other states. Foreign trade in grains was also assisted by an extremely complicated system of taxing imports to pay for export bounties and permitting the exporter to keep a portion of the free exchange obtained by his exports. In general these measures, which were aimed at maintaining the commercial balance, had a beneficial effect in supporting the price of agricultural products and in increasing exports. Between 1934 and 1937 agricultural prices rose from 44.1 (1929 = 100) to 64.6; the value of agricultural production increased from 42 to 62 billion lei; the value of cereal exports rose

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Yet the Iron Guard collapsed, not without some horrible spasms 668 and death throes, but collapsed whenever a strong hand was raised against it. When Carol attacked it in 1938, despite the lash-back in the assassination of Calinescu, he had it under control. In 1940 he was overthrown by it only because his regime had been completely discredited. In January, 1941, the Guard was to show its ineffectiveness against Antonescu's army.

This strange weakness lay not in the fact that the Iron Guard was an artificial body, completely unrepresentative, but because it was all too indigenous. Its effectiveness seemed to be inversely related to its nearness to power. In opposition and under Carolist persecution, it seemed powerful and menacing; martyrdom became it well. When it came close to power it showed itself inept and maladroit. In the face of real problems, whether of government or of maintaining power, its aura vanished and its new men proved to be nothing but pillagers and thugs with no idea how to master a country, much less run it. The very negativeness of the Iron Guard, which gives it its particular interest, was its own undoing.

The Dictatorships

The Iron Guard enjoyed a brief period of triumph from September, 665 1940, to January, 1941, during which time it shared power with Gen. Ion Antonescu in a "National-Legionary State." Carol fell because the Germans lacked confidence in him but also because all political groups, including the National Peasants and the old Liberals, detested his regime which had discarded political freedom for the presumed interests of the nation and then had failed to make a move in its defense. At the last hour he had summoned Antonescu, a talented and forceful officer, but a man whose stern ambition both Carol and the Guardists failed to appreciate. After Carol's abdication and Michael's accession to the throne, Maniu and Constantin Brătianu supported Antonescu in the hope and on the condition that he would reestablish a constitutional regime. Such a hope had no chance of realization. Although Antonescu had been known as pro-French in the 1930's, he had by this time made his peace with Hitler and was thoroughly committed to a pro-Nazi policy.[18] He had long been criti-

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[18] It is evident, however, from the recently published memoirs of the former chief interpreter in the German Foreign Office that Antonescu's attitude was not one of obsequious servility. He vehemently criticized the Vienna Award to Hitler's face and expressed his desire to win back Northern Transylvania by force of arms. Apparently his outspoken attitude, which enabled him to match the Führer's harangues ("Er monologisierte genau wie dieser") plus his enthusiastic hatred of the Slavs and willing-

665 cal of traditional Rumanian politics and for several years had been in touch with the extremists advocating a "regeneration" of public life.[14] Moreover, while the Iron Guard had been harried under Carol, had lost its top level of leaders as well as much of its popular support, it still had its fighting cadres who felt that their day had come. The army, the only effective opposing force, was at this time badly demoralized by its inaction during the loss of Bessarabia and Transylvania.

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661 In the cabinet formed on September 15 Antonescu was head of the state; Horia Sima, leader of the Guard, was Deputy Prime Minister; five other ministers were members of the Guard and the rest personal friends of Antonescu. The Guard was declared the sole legal party, responsible for the moral and material uplift of the Rumanian people. While Antonescu had been on good terms with Codreanu for several years and was at this time wearing the Legionary green shirt, tension quickly developed between him and his unruly allies. As a military man he wanted to reestablish law and order, whereas the Guard was champing for its revolution. Within the Guard itself were a number of factions, moderate and extreme, which were disputing Codreanu's mantle.

The pentup violence of the Guard, which had not found satisfaction at the time of Carol's abdication and had not been diverted into other channels, finally broke loose at the end of November, apparently with Horia Sima's approval but without Antonescu's knowledge. The Legionaries incited bloody Jewish pogroms and attempted to wipe out the politicians and civil servants of the previous regime. The army prevented the successful completion of this undertaking, but the Guard did succeed in killing the historian Iorga, the economist Virgil Madgearu, and in massacring sixty-four political prisoners in the Jilava Prison, most of whom had been Carol's agents and police chiefs instrumental in repressing the Legion.

By this time, however, German influence had become decisive. In October, 1940, German troops came into Rumania, ostensibly to reorganize the army; a German economic mission arrived to coordinate the Rumanian economy with the German war machine. The Third Reich's greatest interest was in increasing Rumania's output, and

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ness to fight the Russians, won Hitler's confidence and trust to a surprising degree. See Dr. Paul Schmidt, *Statist auf diplomatischer Bühne, 1923–45; Erlebnisse des Chefdolmetschers im Auswärtigen Amt mit den Staatsmännern Europas* (Bonn, Athenäum-Verlag, 1949), pp. 511–512, 538, 548–549, 574.

[14] Harald Laeuen, *Marschall Antonescu* (Essen, 1943), p. 27.

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for this it required a degree of stability, not the hectic atmosphere 665 created by Guardist terror squads. Consequently, when Antonescu in 661 December began to take measures to bring the Guard to heel, he had German support, although the Legionaries refused to believe that the Germans would desert their most ardent allies. Antonescu proceeded to disarm their formations and to strengthen the army. Seeing their [669] position undermined, the Guard on January 21, 1941, attempted to revolt. They were suppressed by the army after three days of savage fighting in which they outdid themselves in committing bestial atrocities. On January 27 Antonescu formed a new cabinet composed almost entirely of military officers. The Iron Guard was dissolved, the Legionary state abolished, and a firm military dictatorship under the *Conducator* came into being. Thus fell one of the first fascist movements in Europe and, ironically enough, at just the time Nazi Germany achieved complete predominance in Rumania.

Under the Antonescu dictatorship political life ceased altogether; the army and the Germans were in complete control. A couple of plebiscites provided the necessary stamp of legality and the government, with very few changes, remained in power for the next three years. In June, 1941, Antonescu joined Hitler in the war against the [648] Soviet Union. Maniu and Constantin Brătianu supported the war until the recovery of Bessarabia and Bucovina, though they protested against the dictatorship. After Rumanian troops crossed the Dniester, they dispatched notes of protest to Antonescu demanding Rumania's withdrawal from the war. But by this time he was too deeply involved in the German adventure. In October, 1941, he annexed Transnistria, that part of the Ukraine lying between the Dniester and Bug rivers and including Odessa. Rumanian troops went on and on until they reached Stalingrad. Then began the slow retreat.

Well before his overthrow Antonescu, now a Marshal, realized that the war was lost but was unwilling to take the steps to extricate Rumania, although he permitted envoys of the political parties to establish contact with the Allies. In the absence of effective opposition he was able to maintain power until the Russians, who had been checked in northern Moldavia in the spring of 1944, resumed their offensive in the late summer. With the imminent threat of Rumania becoming a battlefield and being further devastated by increasing American bombing raids, King Michael seized the initiative, arrested him, and sought an armistice.

still abroad, was summarily dismissed. Peasant risings, a [668] movement for autonomy in Transylvania, and general instability led to the nomination of General Averescu to 642 648 office, owing to the reputation he enjoyed of being a strong man, having taken an active part in suppressing the peasant rising of 1907.

General Averescu's government passed the enactment [423] dealing with the distribution of land to the peasants, while his Minister of Foreign Affairs, M. Take Jonescu, laid the foundation of the Little Entente by concluding alliances with Czechoslovakia and Yugoslavia. General Averescu attempted to open pourparlers with Russia, so as to prepare the recognition of Rumania's right to Bessarabia, and there was a fair chance of his succeeding, but he was baulked of his aim, for the King vetoed his plan.

To M. Titulescu was assigned the task of reorganizing the 652 country's finances. This was deemed to be an intrusion into 665 ● the special domain of the Bratianus,[1] and so by provoking 661 their hostility, brought about Averescu's downfall. M. Take Jonescu was his successor, but he was able to maintain himself in office only for a month. A government constituted by the Bratianu party followed in January, 1922, and remained in power until March, 1926. Owing to the disunion among the Opposition groups the Bratianu party was allowed to carry into effect its nefarious project of securing complete control of the economic resources of Rumania. The whole legislation passed during its tenure of office was of a purely economic character, and under the pretext of consolidating the finances of the country they merely consolidated their own financial dominance.

Popular dissatisfaction was steadily growing in the meanwhile, as instead of relieving the money stringency, the economic policy of the government did nothing but intensify the evil from which the country was suffering. On [664] the other hand the Opposition was closing its ranks and organizing mass demonstrations throughout the country. A monster meeting of peasants was held at Alba-Julia in May, 1925, followed up by vigorous onslaughts against the government. The latter, unable to obtain a foreign loan which would have enabled it to stabilize the currency and relieve

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[1] [The Liberal Party, headed by John Bratianu--Analyst]

[652] 665 661 the economic crisis which had become endemic, sought to withdraw for a brief period from office in order that popular indignation might be appeased. As it had become obvious, however, that the Opposition, headed by the Transylvanian and peasant groups of the old kingdom aided by the Bessarabians, would sweep the polls and deprive the Bratianu party of the privileges it had arrogated to itself during its last tenure of office, the government manoeuvred to appoint in its stead a political group on whose subservience it could count. The choice fell on General Averescu, who could not pretend to independence of action owing to the numerical weakness of his group, and who was forced to act in leading strings held by the Bratianus on account of his absolute dependence on their support. As a consequence of the prevailing exasperation throughout the country it could be foreseen with certainty that it would be impossible to secure a favourable majority at the election following the exit from office of the Bratianus, even if use was made of the devices habitually employed on such occasions.

666 646 Before the dissolution of the Chamber, therefore, the Bratianus passed a law reforming the electoral system then in use, which completely altered the very essence of democratic government. By the new system a party obtaining 40% of the total votes cast secured 70% of the seats in the Chamber, and thereby a party which did not possess the support of the majority of the electors might nevertheless secure an imposing majority in the Legislative Chamber. Through the passing of this measure into law, the coming to power of unpopular parties and royal favourites has been made possible, for owing to the malpractices and abuses current at elections, it is relatively easy in Rumania for any person in control of the state-machine to secure the requisite 40% of the votes necessary to ensure him complete domination of the Chamber.

666 In ordinary circumstances there would have been no necessity for this electoral law, since the public has usually a very wholesome respect for whatever party is in power, allowing it to organize the elections to suit its wishes, and permitting it to exert a dominating influence on the polls so that it may be said that the elections are always "made."

661 642 state administrations a certain degree of autonomy which, effectively amputated the central government of many of its prerogatives, and having filled these administrations with their own partisans they still exerted an influence which could, if necessary, paralyse the governments destined to succeed them in office.

In his electoral manifestoes, Averescu had held out to the Rumanians the most seductive inducements, among others that of a flow of foreign capital into the country. Time passed, however, and so, without any sign of an impending materialization of these assurances, the public began to chafe and inveigh against him. The resentment which the Liberals had aroused against themselves was thus deftly diverted on to the heads of their successors. This result having been duly effected, the Liberals emerged from the seclusion they had hitherto voluntarily imposed on themselves, and now appeared on the scene in the guise of indispensable factors for the restoration of the order and legality so grievously compromised by their incompetent henchman! The King was induced to demand General Averescu to form a coalition Ministry, but after a fruitless effort he was summarily dismissed and replaced by Prince Stirbey, who a fortnight later retired, making way for a Bratianu Government, so that the transition might not appear too brusque.

643 King Ferdinand died in July, 1927, and as the crown passed to his grandson, Michael, a boy of six, a Regency Council was nominated. Ferdinand's son, the notorious Prince Carol, had been excluded from the throne owing to Ferdinand's conviction that Rumania's prestige would suffer if a person with Carol's record became King. A similar opinion seems to have been held by our Foreign Office, for when Prince Carol came over to England in 1925 he received a polite but firm request to leave our shores.

665 Unhappily for the Liberals, their leader, John Bratianu, died suddenly in November, 1927. His was a strong willed and dominating personality, capable, but not over scrupulous in the choice of methods. The leadership then passed to his brother, who until then had been Minister of Finance. 665 652 The rising storm of popular exasperation caused by the financial policy of the Liberal party, which had brought the

country to the verge of a catastrophe, proved, however, to 665
be too much for the less experienced hands of Vintila Bratianu. 652
Unable to secure a foreign loan, the need of which had
become imperative, he had no choice but to allow the transfer
of the reins of power in November, 1928, to the Opposition,
represented by M. Maniu and the National Peasant party.
The elections which followed took place in freedom, and 666
though this time the minorities did not all vote for the 665
government, nevertheless the latter secured for itself about
78% of the total number of votes cast, which may be taken
as an infallible proof of its popularity. This assured it of a
compact majority of 348 seats in the Chamber. The Opposition
was insignificant, and was composed of sixteen Magyars,
thirteen Liberals, and ten seats distributed amongst various
groups. This election disposed of the fiction that Communism
had a hold on the Rumanian people, for the total
Communist vote attained only 35,000 out of a total of
2,840,660, and it thus became evident that the bogey of
Bolshevism had been cleverly exploited by the Bratianu
dictatorship, in order to justify its terroristic methods in
Bessarabia, as well as for the purpose of winning the goodwill
of the Western Powers for its alleged attempts to
repress it. The most pressing need the Maniu government 652
had to face was the obtention of a foreign loan in order to
avoid the certain catastrophe with which the finances of the
country were threatened. The funds obtained, however,
barely sufficed for stabilizing the currency, and were
altogether inadequate for the task of reconstruction, and
even for the purpose of paying off the most pressing debts
left by the former régime, so that a further loan had to be
secured in 1931.

Unfortunately the country was in a derelict condition, and
with the banking institutions under the control of its adversaries,
determined to undermine the work of the new
government, the latter had an exceedingly difficult task to
tackle. The government passed several liberal measures, 671
such as the suppression of the censorship, the abrogation of
military law in Bessarabia, the reduction of the personnel of
the gendarmerie (chiefly employed by Bratianu for dragooning
the population at election times), and set about

THE POST-WAR PERIOD

642 666 A very unfavourable impression was created by the dismissal of the Chamber controlled by the National Peasant Party, the only standard-bearer of democracy in the country. It is probable that the electorate would have reacted with more spirit if the people had not foreseen that the thwarting of the royal will would have entailed the abolition of even the semblance of a Parliamentary system, and the proclamation of a pure dictatorship. Though not to an overwhelming extent, violence and illegality were pretty freely employed, to judge from the cases reported in the Press, yet in spite of all these artifices and the mass abstention of its opponents the elements supporting the Iorga-Argentoianu Coalition secured only 48% of the total votes cast; a very meagre performance indeed if it be remembered that even the Liberal party figured among its supporters.

645 665 That the Iorga-Argentoianu Cabinet did not fulfil the hopes placed in it by the King became obvious when he again summoned M. Titulescu, early in 1932, to Bucarest, and asked him to form a broad coalition cabinet. No real coalition cabinet truly representative of the national will could be formed without the inclusion of the National Peasant Party, and the leaders of the latter, when sounded, replied in a truly dignified manner that so long as constitutional methods were not observed they would abstain from participation. M. Titulescu gave up the mission and once more returned to his ambassadorial duties in London. Even those who by their votes helped the Cabinet to install itself in office seemed to have turned against it, for during a sitting of the Rumanian Senate on December 5th, 1931, M. Pillat, belonging to the Liberal party, delivered the following trenchant criticism on the Cabinet: "When you came to power you had promised three principal things: 1st, reduction of the Budget and a lightening of taxation through economies; 2nd, a redressing of the financial and economic situation and of the agrarian crisis; 3rd, penalties for all abuses. But what has been realised? The policy of feigned economies has not stopped the practice of dissipation, aggravated by fresh injustices. In a time of such poverty you have not only maintained old sinecurist in office but you have created even new ones. Favourites of other régimes who exert cumulative

645 functions have been left undisturbed. We have a plethora
665 of functionaries drawing starvation wages instead of a body of well-selected officials decently rewarded. You who have no party and no party attachments to satisfy, and who always attacked political parties, might have effected this change easily, but you have not done so. The reductions in the Budget were necessary, yet they ought not to have cut into the very vitals of the country. The financial policy of M. Argentoianu may be qualified as the policy of bankruptcy. No institution, however strong its foundations, can resist it. You have destroyed the schools and disorganized the army by a criminal reduction of credits. In the name of the Liberal party I must affirm that we cannot accept a constitutional theory which, if it be applied, will debilitate our political life, and by the elimination of political parties vitiate the expression of the national will in its essence, expose the Crown dangerously to attack, and even provide the possibility of irremediably compromising it."

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652 The indictment with regard to the schools found in the above rebuke refers to the decision taken by the Government to shift on to the municipalities 50 per cent of the educational charges. As the Municipal authorities cannot balance their budgets, and as an example the community of Solca was cited, which witn a total annual budget of 430,000 lei would have been obliged to incur an additional expenditure of 400,000 lei in order to provide for the maintenance of its primary school, the deputies admitted that such charges were beyond the resources of the municipalities to bear, and the proposed legislation was at last rejected after a most strenuous opposition from the National Peasant Party supported by the Liberal deputies who had hitherto sided with the Government.

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875 Another cause likely to prejudice education in Rumania is the non-payment of salaries to teachers. During the sitting of the Chamber on April 4th, 1932, a case was reported of certain teachers, who are all State functionaries in Rumania, who had not received their pay for seven months. Associations of teachers in various localities have called meetings and have addressed telegrams of protest on the subject to the King. Thus, those of the region of Radauţi on

645 [664] [644] June, 1932, a measure which is resented by all political parties as a formal violation of the constitution.

From the above it will be clear that whatever popularity the Iorga-Argentoianu Cabinet may have enjoyed, and whatever the hopes to which it may have given rise on its formation, these have now been totally dispelled. This is not without causing a distinct prejudice to Rumania, for undoubtedly, Prof. Iorga is one of the most distinguished Rumanians and represents an immense moral asset for the country. He would have proved an ideal chief for a broad coalition of all political parties, and his presence, owing to his integrity as well as to his erudition would have immensely strengthened the position of such a popularly elected government.

000 Owing to the marked "lipsandry" from which Rumania is suffering, it was an unpardonable mistake on the part of her ruler to expose an eminent personality like that of Prof. Iorga to risk his reputation, and by trading on his sentiments of devotion to the throne to force him to join a team headed by an Argentoianu, who, according to General Averescu, ought to be in the dock, and not on the Ministerial bench.[1]

665 With the passing of time, and with the worsening of the situation, attacks on the present régime have become more virulent. General Averescu, who under Rumania's former kings was often appealed to on difficult circumstances, and who feels that he has been undeservedly ousted by the Iorga-Argentoianu combination, continues his vehement attacks on both Government and King, whom he threatens with the fate of Prince Cuza, deposed forcibly in 1866. Far more significant, however, is the attitude of the National Peasant Party, which so far has maintained a very dignified attitude. All of a sudden on May 15th, 1932, the "Patria," the organ of the Transylvanian section of the party, launched a virulent attack on the régime, denouncing the scandalous exploitation to which Transylvania is being subjected and threatening with a demand for autonomy. This campaign,

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[1] In June, 1932, the "Dreptatea" repeatedly accused Argentoianu of having appropriated 20 million lei of public money, of which, 12 millions between May 17th and 31st, and eight millions on June 3rd and 4th, after he had resigned from office.

which is supported by the bulk of the party, may prove salutary for the country, as it is the only peaceful means by which a reversion to constitutional practice may be secured. 665
A similar campaign has been launched by the Liberal or Bratianu party, for the elimination of the present régime, and it is possible that the force of circumstances may lead eventually to a close co-operation between these two political parties in order to attain this common object which at the present moment each is attempting to secure independently. That such a contingency is well within the domain of 668
possibility, is clear owing to the widespread dislike and unpopularity the present régime is encountering, which is apparent from the persistent attacks it is subjected to by the Press; even independent newspapers like the "Lupta" and "Adeverul" joining in them. In fact nothing could better characterize the prevailing discontent than the following excerpts from articles published by the above mentioned newspapers on 17th May, 1932. "Whither this sort of government has brought us is made clear by a perusal of the newspapers published in all regions of the country. They show that the laws promulgated by the Government are either inapplicable or prove the source of new unforeseen confusions, explainable by the lack of forethought or the haste of those in authority. Their incompetence has undermined confidence amongst all classes of the population and has created a state of moral depression which shows itself in regrettable violent agrarian manifestations, in protests by members of the teaching profession and the frequent suicides committed all over the country, the majority of which are due to poverty.

The Government, which since its assumption of the reins of power has not even once had the moral courage to verify whether it enjoys the confidence of the nation or not, should comprehend from these manifestations that it has lost even the ultimate justification for continuing its activities, namely the hope of obtaining an amelioration of the present situation."

While the "Adeverul," commenting on the campaign launched by the Transylvanian section of the National Peasant Party affirms: "The echoes of discontent which

POLITICS.

POLITICAL PARTIES.

The Liberal or Bratianu Party.—The regular system of 665 party government composed of two great political parties, 647 the Liberal and Conservative, which had ruled alternatively in Rumania during the reign of Charles I, came to a close with the Great War, which brought about the dismemberment of the Conservatives. It was an arrangement based on the "spoils" system, and entailed a change of the majority of state officials with every change of government. This instability of tenure of all posts in the Civil Service necessarily encouraged corruption, but it may be said that it was a political system which for the time being made on the whole for stability and assured to Rumania an immunity from revolts and crimes by which other States of South Eastern Europe had distinguished themselves during the same period.

It is regrettable that both parties had neglected to create a 665 contented class of peasant proprietors which would have constituted a sound bulwark against the onset of disintegrating forces let loose by the war. Instead, great land and financial monopolies closely connected with the personnel of these two political parties were fostered.

The agrarian revolution led to the elimination of the 661 Conservatives, while the Liberal party retained its vigour 665 owing to its grip on the economic life of the country. Owing to the absence of a powerful rival, the Liberal party became the supreme arbiter in the land during the first decade following the conclusion of the war. But, from a political party it had degenerated into a coterie aiming solely at the exploitation of the country for the benefit of its partisans, and, as such, though firmly established in the old kingdom, seeing that it constituted the main avenue by which one could accede to political life, it was unable to extend its influence in the newly incorporated provinces, where, fortunately, other political conceptions prevailed.

It had identified itself with the Bratianu family, which 665 exerted an autocratic sway over it. After John Bratianu's death, in 1927, the leadership passed to his brother Vintila

665 Bratianu, the inspirer of that rabid xenophobia to which may be ascribed the major part of the woes from which the country is suffering to-day. On his death, the conduct of the party was entrusted to M. Duca, but there is a small dissident fraction of the party which is led by M. George
665 Bratianu. The split was due to the fact that the majority of
642 the party was opposed to the return of the present King Carol II, and to their taking up an altogether intransigent attitude on the subject which was considered impolitic by M. G. Bratianu. After M. Vintila Bratianu's death, however, the party's relations with the Crown considerably improved, and it even went so far as to lend its concourse to the election and maintenance in power of the Iorga-Argentoianu Cabinet in order to emphasize its determination to maintain good relations with the King. It changed its tactics as regards the Government after the latter had been in office for a year, and opened a violent campaign aiming at its overthrow, as it considers that this régime is causing much harm to the country, and apprehends that it may be succeeded by yet other political combinations enjoying royal favour, thus perpetuating a system which would tend towards the elimination of political parties from participation in the government of the country.

Speeches made by M. M. Duca and Tatarascu, a prominent member of the party, at a political meeting held at Braila on May 15th, 1932, give a clear indication of the attitude of the party. It was explained at this meeting that the support extended to the Iorga-Argentoianu government was due to the desire to avoid all difficulties to the king, and allow the latter to carry on the experience he wished to initiate without embarrassment. After a year's trial, however, it became obvious that it was imperative to remove this Government which was bringing disaster to the country, to change the methods and system of government, and to revert to constitutional practice.

665 *The National Peasant Party.*—The agrarian reform which had been carried out on the conclusion of the peace led to the emergence of an agrarian political party of ultra-radical tendencies. It formed. however, an amorphous mass that required the demagogic activities of a leader such as the late

POLITICAL PARTIES

Bulgarian Prime Minister Stambuliiski, in order to weld it 665 together and impart to it the driving energy of a revolutionary party. Fortunately for Rumania, its peasantry was led by a man who is remarkable not only for his common sense, but also for his extreme frankness, sincerity and modesty, and who in the midst of unparalleled corruption leads and insists on living a clean life. His devotion to the ideal he serves explains his readiness to relegate himself to the background whenever he believes that his self-effacement can be conducive to the advancement of his party or to the welfare of his country. He grasped the dangers inherent in an extremist policy for a country which had not yet firmly consolidated its various constituent segments, nor secured the spiritual unity of its people, and instead of following the easy course of giving a free rein to the hotheads of his party, he used his authority instead to curb their revolutionary zeal. M. Ion Mihalache, a former teacher by profession, foresaw that the wisest policy was to secure the adherence to the Peasant Party of various groups and public men who by their moral standing might add to its prestige, and by their influence help to exert a restraining force on its revolutionary activities. Such individuals were unfortunately inexistent in the old kingdom with the solitary exception of Prof. Iorga, who for over forty years had been performing the combined functions of a national tribune and a moralist. Mihalache, therefore, had to turn to the newly incorporated provinces, though his decision to co-operate with outsiders and facilitate their access to the government of the country created intense resentment in the old kingdom. Of the new territories, 186 665 Transylvania alone had been distinguished for its tenacious defence of its nationality under Hungarian rule. It possessed a National party which for fifty years had battled heroically against Magyar despotism, and had been purified and tempered through the endless persecution it had been subjected to. Such a political group was ideally designed to serve as the nucleus of a larger party aiming at the emancipation of the Rumanian people from the oligarchy which persisted in exploiting it both politically and economically. The National Party of Transylvania, though naturally including intellectuals, was mainly a peasant party itself.

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since it was a purely Rumanian party and represented proportionately all strata of the population, while Transylvania formed part of Hungary. Those of its adherents who pursued their personal advancement rather than that of their party had deserted it, and on the union of Transylvania with Rumania they joined the ranks of the various political groups of the old kingdom, believing that such conduct would be conducive to more rapid promotion for them. The party had thereby been purged of all doubtful elements, and those who remained could be considered as absolutely devoted to their ideal, namely the emancipation of the Rumanian democracy from a tyranny, which, though no longer Magyar, was to liberal-minded men perhaps even more stifling and more repulsive than that exerted of old from Budapest. [149] The Transylvanian National Party should not be mistaken on account of its name, for a group permeated by narrow nationalistic views; on the contrary, in respect to treatment of racial minorities in Rumania, it aims at securing for them the widest possible autonomy compatible with the maintenance of the Rumanian State. The majority of its rank and file being composed of peasants, its union with the Peasant party of Rumania was an occurrence which was bound to happen, fostered as it was through a community of suffering and an identity of desires. From every point of view the fusion of these two parties may be regarded as the most hopeful portent in Rumanian political life in recent times.

It was particularly felicitous also for the Transylvanian section since it afforded it an opportunity to repudiate the charge of cherishing separatist tendencies. The new group undoubtedly represents the most numerous and sanest elements in Rumania. The predominance of the Transylvanian intellectuals in it is due to the fact that these men are conscious of their civic duties, that they are resolved to serve their less developed peasant brethren and to bear their burdens in common, rather than to hoist themselves up into oligarchic groups intent on exploiting the rural masses. When the intellectuals of the old kingdom learn to subordinate their personal interest to that of their country, they will undoubtedly be eager to follow the example set by M. M. Maniu and Vaida-Voevod.

The fusion of the two parties was officially proclaimed on Oct. 10th, 1926, and led to enthusiastic demonstrations. The only regret formulated at the time was that Prof. Iorga had not seen his way to accept the presidency of the new party.

His abstention was most regrettable since his presence in the party would have added immensely to its moral prestige, and the disappointment caused was all the keener since he had potently helped to bring about the fusion. Apparently at the last moment he must have been frightened by the undue preponderance of the peasant element in the party and have come to the conclusion that it would not be possible to maintain its policy within strictly constitutional bounds, nor impose on the more restive elements of the party the discipline and authority he is accustomed to exert on his own small party, composed entirely of the intellectual *élite* of Rumania absolutely devoted to his views. Prof. Iorga's apprehensions seem to have been partly justified, for prior to the National Peasant Party's accession to power in November, 1928, it traversed several internal crises which caused the shedding of several members, but fortunately these difficulties were finally surmounted, thanks to the self-sacrifice and circumspection shown by its leaders.

The program of the party is extremely radical and distinguished by its liberality for the ethnic minorities to which it promises the granting of complete satisfaction concerning their cultural desiderata. It aims at the adoption of a system of regional autonomy, an excellent measure which would go a long way to allay the dissatisfaction caused by the excessive centralization so far exerted from Bucarest. Another important object is the stabilization of the status of public functionaries which naturally will remove them from the influence of the politicians. In the economic domain its scope is to subordinate the interests of an excessive and artificially created industrialism to agriculture, which it considers as the country's mainstay. The concourse of foreign capital being considered an indispensable condition for the country's development, a régime of complete legality was to be introduced and foreign and local capital were to be treated on an

● 665 equal footing. The development of railway communications was to be achieved by the granting of complete and effective autonomy to the railway administration, and in certain cases even the construction and exploitation of new lines was to be left to private enterprise.

M. Maniu, the leader of the party, has temporarily withdrawn from political life as a sign of protest against the unconstitutional methods adopted by the King. In spite of persistent and recurring demonstrations on the part of his followers, M. Maniu has refused to reconsider his decision, but his post of president of the party is being kept vacant in the belief, that eventually a return to constitutional methods will permit him to emerge from his self-imposed exile in Transylvania and to resume his political activities. The latter region, having evolved under Magyar rule an alert public opinion, has recently been the scene of imposing political manifestations, in the course of which the most profound and touching attachment for M. Maniu has been evinced. The latter has consistently counselled moderation to his followers, expressing his confidence that the King would in time perceive his mistake and return to constitutional methods. The Transylvanians form the better educated and more enlightened section of Rumania's population, and therefore it should not be surprising that they should be both more vigilant and restive. Already voices are raised advocating the abandonment of the passive policy of dignified abstention as prescribed by M. Maniu, and a revision of the tactics hitherto followed is demanded. It is probable that the whole party will come round to this view, as Bucarest has been incapable of either formulating a generous policy or, what is even more difficult, of carrying it
196 into effect. This latent possibility of the appearance of a militant opposition headed by the National Peasant Party is
665 not, it seems, too remote, for the Transylvanians are dissatisfied not only with the present régime, but also with the general attitude adopted towards them by politicians of the old kingdom. In a congress of the Transylvanian section of the party, held at Cluj at the end of March, 1932, M. Vaida-Voevod declared " we clearly see that there exists a conspiracy which premeditates the undermining of the forces of

Transylvania, so that by impoverishing us they may exploit and lord over us."

Both M. M. Maniu and Vaida-Voevod are known for their moderation and circumspection and through the "Patria," the mouthpiece of the Transylvanian section of the party, they have endeavoured to impose silence on their more turbulent followers and on the advocates of militant methods. But if a new political combination is imposed on the country from above, it seems that their hands will be forced and a more combative attitude adopted, which may well be the signal for radical changes in Rumania. The Transylvanian peasantry is far from being prone to allow the Rumanian goverment to ride roughshod over its constitution, and the absence so far, of subversive movements in that province is solely due to the demureness and composure of M. M. Maniu and Vaida-Voevod and should not be taken as indicative of a peaceful disposition. On the contrary, the Press campaign of General Averescu against the present régime has been widely approved and the peasantry is openly expressing sympathy with him. He is in fact becoming a very popular figure. Owing to the severe crisis which the province is traversing, which is more acutely felt than in the old kingdom because from the cultural point of view it [illegible] several stages ahead of the latter, it would not require much effort to turn the brewing dissatisfaction into open revolt. Already the peasants are beginning to manifest their disapproval of M. Maniu's attitude, and are more and more insistently demanding that he should abandon his present seclusion and explain the reasons for the passivity he has so far shown. Apparently they believe that the time has come for more drastic methods. A speech from M. Maniu delivered in February, 1932, to a delegation of his party, which went to greet him at his country retreat at Badacin and ask him to resume his duties as leader of the party, is characteristic of the efforts he employs to assuage the militant ardour of his supporters. He refused to accept anew the leadership, and among other things he is reported to have declared: "To-day the nation is deprived of its constitutional rights; we are on the threshold of bankruptcy, both economic and moral; we see anarchy enthroned in men's souls and hatred fomented in the pro-

666 vinces, and in the murmur of this growing dissolution one
665 hardly hears the voice of the national conscience, one and undivided. The nation is in the midst of disquieting social and economic troubles, and is being conducted by inexperienced and unprepared men, deprived of intuition and without inspiration. In such solemn moments you ask for my guidance. I shall offer you none. You have both intelligence and conscience. I pray you to revere the memory of the sufferings which brought about the consummation of the national unity. I beg of you that momentary incitations should not be allowed to trouble the purity of your devotion to the ideal of the unity of our State. . . . Uphold the unity of the National Peasant Party because it is by its aid that we shall revert to a democratic and constitutional life and extricate the peasantry and the whole social structure from its present wretchedness. Do not forget that you have to fight for a policy of equity towards the provinces. . . . . . We have the advantage of having a youthful king of our own generation. We have received him with justified enthusiasm, and we believe that thanks to the qualities with which he is endowed, he will respond to the people's heartfelt desire and lead it accordingly."

665 This policy of passivity, hitherto followed, seems to have reached its close, for all of a sudden on May 14th, 1932, the "Patria" published a vehement attack on the government which may be taken as the preliminary move in a systematic campaign aiming at its removal. This fulminating article created a sensation in Bucarest, and hopes were expressed that this rebellious attitude of the Transylvanian section of the National Peasant party would not meet with the approval of its partisans in the old kingdom, but fortunately for the Rumanian people these forebodings were soon dispelled when the Bucarest organ of the party, the "Dreptatea," announced that this campaign had the full support of the party behind it. A concise summary of the above mentioned article in the "Patria" is given below as it indicates very clearly not only the wrongs inflicted on Transylvania, but also that the patience of the people is at an end.

661 "Transylvania and the Banat have been reduced to the
663 state of colonies left to the discretion of illiterate exploiters.

66 have no effect. Not even now, when events in Yugoslavia should serve as a lesson to us."

665 *General Averescu's "People's Party."*—General Averescu had distinguished himself during the war and on its conclusion initiated a campaign demanding the taking of severe sanctions against all those who by their ineptitude or moral falterings had contributed to bring humiliation on Rumania during the war. His appeal rallied to his side the majority of the ex-soldiers, mainly peasants, and this led him to espouse their demand for a rapid distribution of the land among them. He is a determined upholder of an iron-hand policy and it is owing mainly to his advocacy of strong measures that he was called to the government in 1920, at a time when the country was threatened with upheavals brought about by the dilatory fashion in which the allocation of the land to the peasants was being conducted. His maintenance in office for almost two years at the time was due mainly to the support given to him by M. Take Jonescu, who acted as Minister for Foreign Affairs in his Cabinet.

This group is a purely personal coterie and has no enduring connection with any section of the people. Whenever it has assumed office it has done so by support other than that of the people. General Averescu expected that on the return of King Carol II from exile, he would be entrusted with the task of putting things in order in Rumania. But hope deferred has shattered his faith in his sovereign's capacity of discernment, and at last his chagrin at being shunned has led him to take up an uncompromising attitude towards the Crown, against which he has launched a vehement press campaign. Some of his partisans, headed by his former lieutenant Goga, have in consequence receded from the party and have founded a separate political organization. Goga is in intimate relation with the Palace, and it is rumoured that the Iorga-Argentoianu Cabinet may eventually be replaced by a political combination including the triumvirate Goga, Lupu, and Argentoianu

Dr Lupu's Peasant Party.—This is another small personal coterie which for some time had adhered to the National Peasant Party. It is practically of no importance, but by lending its feeble support to reaction it can help to turn the scales against a popular government as was the case with 665 General Averescu's party in 1926. Dr Lupu refutes the imputation levelled against him of being an opportunist and has declared on a memorable occasion that the maxim "the wolf may change his skin but not his habits," was wrongly applied to him. His subsequent conduct, however, belied to a certain extent this solemn declaration which he made in October, 1926. It is to be hoped that he may dispel such misgivings as may exist and show himself in action as staunch a friend of the peasantry as he is in speech. Though his advocacy of inflation and of non-payment of the State's foreign debts is a policy that does not inspire overmuch confidence in his political discernment.

The Socialist and Communist Parties.—These are altogether insignificant and unlikely to exert in influence on the destinies of the country so long as they fail to attract the peasantry within their orbit. . . . A vigorous and well-organized peasant group such as the existing National Peasant party is the safest barrier against Communism.

The Minority Parties.—These have been constituted as a means of defence of the cultural life of the various national minorities in Rumania. Once the cultural life of these finds its desiderata satisfied, the representatives of the minorities would probably be absorbed by the Rumanian political parties, as there would remain no reason for their continuing a separate political existence.

So long, however, as the legitimate aspirations of these are not satisfied, their political representatives will not scruple to strike bargains with any reactionary force through whose patronage they may hope to snatch some particles of the rights which are being denied them. It is surprising that Bucarest politicians should be so obtuse as to fail to perceive how indispensable it is to grant satisfaction to the minorities if they are really intent on effectively disarming reaction in Rumania which so far has found in these groups an ever-ready and potent support.

Anti-Semite organizations presided over by M. A. C. 665 *Cuza.*—Among these the most important is the L.A.N.C. 563 group (Christian League for National Defence). One may judge of the moral standing of this individual by an article

665 published in the "Cuvantul" of May 29th, 1927, in which it
563 was reported that the ecclesisatical authorities of Bucovina as well as those of Jassy had refused to collaborate with M. Cuza, because he had converted the club-house of his party at Jassy into a brothel. The paper proceeded to give various unsavoury, as well as pungent, details of the regulations prevailing in this "Christian" League club—regulations, which, according to the "Cuvantul" had been drafted by M. Cuza himself, to the immense benefit of the institution and its "pensionnaires." According to this paper this document serves as a striking testimonial to the organizing capacity possessed by this . . . . gentleman. M. Cuza has been elected as a deputy and early in October, 1931, he delivered a violent diatribe against the League of Nations; a very inconsiderate proceeding seeing that Rumania's salvation may well depend on the League and the aid of international finance.

THE ETHNIC MINORITIES AND THEIR GRIEVANCES

563 Rumania shares with Czechoslovakia and Esthonia the distinction of treating her ethnic minorities with a spirit of tolerance that speaks much in favour of the Rumanian people, who, as most impartial observers will admit, are distinguished by their kindliness and good humour. Most of the complaints one hears of, and they are numerous, arise mainly from the general maladministration from which all sections of the community suffer, and for this reason it is not the Hungarians, nor the Germans, nor the Bulgarians of the Dobrudja who are most vociferous in their lamentations, but strange to say, the Rumanians of Bessarabia. A whole book could easily be written on their tribulations, and as their woes are representative in an intensified form of those endured by other sections of the community, it may be judicious to dwell on them rather than on grievances specifically formulated by Magyars or Bulgarians, as one will thus avoid the imputation of partiality for the latter.

563 Without wishing to cast any disparaging reflections on
642 Rumania one cannot help deploring the failure to take

régime had consummated Bessarabia's ruin, and its people 563
were dying of hunger. The irruption of the Rumanian army 647
was not the triumphal arrival of a liberator but the invasion 661
of a hunger-stricken horde. The requisitions for obtaining supplies both for the army and for the population of Moldavia, on account of the haste and disorder with which they were carried out, assumed the aspect of revolting spoliations and led the natives to ask "what sort of brothers are these hogs and these robbers?"

"Our army's attitude was both offensive and aggressive, in conformity with the usages of war, in short, that of an army of occupation in an enemy country. When the time came to organize the civil administration of Bessarabia, very few of the regular functionaries agreed to be transferred to a remote and unsafe province. . . . Adventurers, those who had nothing to lose and who were under the threat of being dismissed or imprisoned, accepted to join in this "campaign to Siberia" in the hope of being rehabilitated or of becoming rich. For a long time the transfer of a civil functionary to Bessarabia was considered as a redoubtable disciplinary sanction. . . . ."

"The Bessarabians have found out what elements we can contribute to the restoration of their former material prosperity. These are poverty, demoralization, political debauchery, a decade of violence, fraud and illegality. Hence the permanent hostility with which they regard us; a state of irritability which is maintained owing to the prevailing wretchedness."

The main responsibility for this astounding state of affairs 665
should be ascribed to the Bratianus, who inaugurated and 576
maintained this system for ten years. When finally they were ejected from office, their Bessarabian partisans began to quarrel among themselves and attack most virulently their former regional leader, M. Inculeţ. They started a paper called "The Voice of Bessarabia" in 1929, in which their former leaders were denounced as vulgar and dangerous adventurers, robbers and criminals. As for their former local chief Inculeţ, he was accused of having retired to Jassi in order to enjoy in peace the thousands of millions he had accumulated by a triple betrayal of Russia, Bessarabia, and

665 Rumania. The paper concluded by an exhortation addressed
574 to Bessarabians to evict Inculeţ from the political arena of Bessarabia where he had operated as though this region had been an African colony, and the appeal concluded with the hortatory incitation "Eject this putrefaction from Bessarabia."

In spite of the severe financial crisis which afflicted this
651 region, the fiscal agents of the government insisted on
563 collecting taxes even when in years of drought the peasantry
661 was destitute and utterly unable to pay. The methods employed were so barbarous that they provoked several interpellations in the Rumanian Chamber. During its sitting of Dec. 10th, 1926, M. V. Madgearu denounced the abusive and inquisitorial methods by which Bessarabian tax-payers had been sold up and his arraignment was confirmed by similar indictments formulated by a member of the (then) government majority.

423 In October, 1930, a revolt broke out in southern Bess-
563 arabia. The peasants of the village of Baimaklia, near the
661 town of Kagui, revolted and burned down the residence of a big landowner because certain grazing lands were given to him by the State instead of being distributed among the peasants. That similar abuses are current may be inferred from an article in the "Aurora" of June 3rd, 1926, which is headed "The pauperization and humiliation of the Bessarabians," and in which it is related how certain State lands were put up for sale at Balţi, and though the peasantry of six adjoining villages had combined and offered 400,000 lei more than three big landowners, the lands were allocated to the latter, obviously through favouritism. That State functionaries often act with an arbitrariness and brutality
563 inconceivable in a civilized State may be illustrated by
661 the Soroca affair, which is of quite recent occurrence. In January, 1932, six Jewish youths, inhabitants of Soroca, on the Dniester, after coming to terms with the frontier-guards as to the amount of the bribe they would have to pay to be allowed to escape into Russia, and after they had paid 40,000 lei, were ambuscaded and shot down. In order to instil terror into the local population, their bodies were hurled pell-mell on a sledge which was driven by a soldier

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Jews

Jewish element to gain a place of importance in the life of the 563
community, which has unfortunately provoked the resent- 641
ment and jealousy of their Christian co-nationals and created a Jewish problem in Rumania. To counteract their economic influence they were refused political rights by the Rumanian Constitution of 1866, and though the Congress of Berlin obtained the abolition of this law, such obstacles were placed in the way of Jews wishing to acquire naturalization that only a few hundreds succeeded in obtaining this privilege by 1914. According to the Treaty for the Protection of Minorities which Rumania finally signed, the Rumanian nationality is conferred on all Jews in Rumania. The Jews have not 665
followed the example of the Magyars and Germans, who 563
have created political parties of their own, yet prejudice against them is pretty strong and has led to the formation of political groups which are purely anti-Semitic. The supporters of anti-Semitism are mainly recruited among students, and the universities have often been the scenes of ruthless and barbarous acts of violence. The leaders of the anti-Semitic leagues are unscrupulous individuals, who by pandering to the lowest instincts of the mob see a way to secure personal advantages for themselves. Thus the chief henchman of Cuza, the anti-Semitic leader, an individual named Codreanu, gained notoriety by shooting the Police Prefect of Jassi while the latter was doing his duty in suppressing a pogrom that had been organized in the capital of Moldavia.

The Jewish problem is purely economic, and this is the 554
reason why student circles are so anxious to impose the 563
" numerus clausus " in the Rumanian universities. They wish to eliminate potential rivals in the liberal professions as far as they possibly can. In many of these the Jewish element has certainly distinguished itself, especially in law and in medicine. Rumanian youth feels that the prominent position Jews hold in society is a serious obstacle to its advancement, and the methods adopted to eliminate this hindrance are certainly not always commendable. It should be added, however, that where Jews do not exist other races occupy their place, so that it is always the non-Rumanian elements which fill the more lucrative posts in the urban

ticularly at the oil industry, prescribed the manner in which 471
they were to be exploited. The development of these resources 315
was to be entrusted to corporations or "régies" in 382
which the Government as well as private capital, both
Rumanian and foreign, would participate, but in such a
way as to permit of the majority of shares being controlled
by the Rumanian Government. At the same time laws were 375
enacted for increasing the utilization of methane gas (C.H.4) 471
which was already in use both for lighting and heating 665
purposes in Transylvania, and which is available as a large
source of industrial power, its output being calculated to
amount to as much as 2,000 million cubic metres per annum,
the consumption of which for 1930 reached over 503 million
c. metres. The methods used by the Liberal Party to secure
a mainhold of the supplies of methane gas are particularly
illuminating of the mentality of the leaders of that party, as
they were revealed by M. Madgearu in the Rumanian Chamber
in 1929. An exclusive monopoly was conferred on a
group of "Liberals," who supplied the gas to industrialists
at arbitrary prices so as to force the latter out of the market
and leave this to rival firms belonging to adepts of the
"Liberal" Party. All the efforts of the Liberal Party to
promote the nationalization of this gas were aimed at securing
the economic mastery of Transylvanian industries. A 376
similar law was also passed dealing with water power, the 471
reserves of which are estimated at 5,206,225 H.P., of which
amount 735,425 h.p. represent 50 per cent of the force produced 665
at the Iron Gates by the Danube, 1,422,465 h.p. by
the tributaries of the Theiss, 2,164,748 h.p. by the Danube
tributaries between the Timish and the Sereth, and the remaining
884,665 h.p. by the Sereth and its tributaries. Of
all this potential force only about 52,000 h.p. is actually in
use. The State owned practically the totality of the railway 655
lines, most of the extensive fisheries in the marshes and delta
of the Danube, the salt mines of Ocnele Mari, Slanic, Uioara
and Targu Ocna, which are exploited as a State monopoly
and assure to it a revenue of some 700 million lei per annum,
over 75 per cent of the entire vast timberlands, several coal
and iron mines, the gold mines in the Bihor mountains, the
annual output of which is about 2,500 to 3,000 kilogrammes,

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563 177 **THE MINORITIES.** The presence of large numbers of non-Rumanians in the new State affected the fate of Rumania decisively. While the leaders of the Transylvanian Rumanians, who had themselves had a long experience of foreign rule, advocated a just and liberal policy, the politicians of the Old Kingdom,[1] and especially the Right Wing, persisted in a policy of Rumanization and de-nationalization contrary to the Minority Treaties. In Bessarabia this policy was excused by stressing the danger of the spread of revolutionary movements which threatened the safety of the State, and was carried out by the military. In the territories acquired from Hungary the position of the dominant and dominated sections of the people had been reversed so suddenly and so decisively that the change necessarily had violent consequences. Moreover, here the question of the treatment of minorities was closely interlocked with that of administrative unification. The laws and regulations of the Old Kingdom and of the New Territories[2] had to be equalized. The majority of the civil servants in Transylvania were Hungarians and most of these were replaced by Rumanians from the Old Kingdom. Some of the old officials had to be retained, owing to the shortage of trained personnel, and the doubt about their loyalty to the new regime was exploited to strengthen the case for complete centralization.

665 565 **SOCIAL REFORM.** The problem of social reform was the most urgent and the most hotly contested of all. The Transylvanian National Party under the leadership of Maniu, and the Peasant Party of Mihalache,

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[1] [Provinces of Wallachia, Moldavia, and Dobrudja--Analyst]

[2] [Territories acquired after World War I--Analyst]

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who eventually joined forces and formed the 665
National Peasant Party, pressed for the extension 565
and enactment of the agricultural reforms promised in 1917. This was delayed owing to the pressure of the great landed interests who, after the disappearance of the pro-German Conservative Party, had found a new champion in the Liberals. The elections, however, brought a decisive defeat for the Liberals, and King Ferdinand had to entrust the formation of a new government to the victorious Peasant Block. In it were Dr Lupu, who in 1917 had opposed the plans for land reform on the ground that they were inadequate, Vaida-Voevod, a close collaborator of Maniu, and Mihalache, who as Minister of Agriculture proceeded to carry out the land reform.

General Averescu left this new administration 665
within a few days in order to create a new party in 565
opposition to the Peasant Block. Intrigues at court 662
soon secured the fall of the government, which was succeeded by an administration headed by Averescu whose personality was a guarantee that nothing would be done to abrogate the real power of the privileged classes. At the very efficiently 'managed' subsequent elections the General secured 209 out of 369 parliamentary seats. It was obvious that he was dependent on the support of the Liberals and the bureaucracy who preferred, for the time being, not to step into the foreground. Averescu's Minister of Agriculture, Garoflid, was the spokesman of the big landowners and it was he who finally put the land reform into practice. The social structure of the country was not basically altered. Moreover, the transfer of land to the peasants now made it possible

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665 to blame other factors for whatever might go wrong
565 as there was no *boiar*-class left. The invisible, but
662 much more effective, financial control, continued to
assure the rule of the same classes who had governed
the country before.

Soon the Liberal Party again took over the
665 government. I. Bratianu was the undisputed chief
648 of his party and had the confidence of the king. His
whole policy was directed towards the strengthening
of the power of the interests he represented. This,
combined with his hostility towards the Soviet
Union and Hungary had serious consequences
which, however, became apparent only several years
after his death.

643 **THE MONARCHY.** King Ferdinand, who had been
665 crowned at Alba Julia in 1923, died in 1927. This
caused a serious crisis, for two years earlier the
Crown Prince Carol had been forced to abdicate in
favour of his infant son Michael. After Ferdinand's
death a Regency Council of three was appointed to
act in the king's name until he came of age. The
Regents were naturally strongly influenced by
Bratianu, but, when he died in 1928, the leader of
the National Peasant Party was entrusted with the
formation of a new government. Maniu secured a
great electoral victory and his tenure of office was
expected to bring about far-reaching changes. The
new administration set about solving the minority
question and the serious economic problems resulting
from the incomplete land reform which
instead of bettering had often worsened the lot of
the peasants. Unfortunately at that time the world
crisis had reached its worst stage. Although his

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although his 643

government had the majority of the people behind 665
it, Maniu was handicapped by sabotage on the part [662]
of the bureaucracy, the banks and the great industrialists. Moreover he found it very difficult to work with the Regency Council, especially in such a critical time, as very frequently it could not reach a unanimous decision.

All these circumstances seemed to make the restoration of Carol inevitable. Maniu therefore arranged for the return of Carol to Rumania, but made his accession to the throne conditional upon several undertakings, amongst which was a royal promise to respect the Constitution. Carol returned by plane on 8 June 1930 and was proclaimed King, his son Michael being unceremoniously relegated to the position of Crown Prince. Many high hopes were pinned on Carol whose youth and intelligence were held to be qualities which should make him a good ruler. But the head-strong young monarch, with his ideas of personal rule, soon disillusioned those who had enabled him to return. Before long Maniu resigned and the first period of Carol's personal regime began.

THE PEOPLE. During all these years the people of 511
Rumania had hoped for an improvement of their position. After the first few years of adjustment to the changes consequent upon the World War, it had become apparent that all misfortunes could not be blamed upon the war. The Agrarian Reform which was to have cured all ills had turned out to be a very questionable blessing. The recovery of industry which had a promising start in the middle twenties, when considerable amounts of foreign

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471 of State and foreign concessionaires. State-monopolies, such as the manufacture and sale of explosives, tobacco, etc., were often leased to foreign trusts. Road building, for example, was in the hands of a Swedish company. So was the manufacture of matches sold by the State. The whole telephone system was installed and operated by a subsidiary of the American financial trust of Morgans. Nine-tenths of the oil industry were in British hands, the armaments works of Transylvania were controlled by British, French, Czech and German interests. The newly developed chemical industry of the country soon passed into German hands. As for agriculture, the export of produce was effectively controlled by several banks who were partly or wholly owned by foreign financial houses. During the nineteen-thirties pharmaceutical goods were imported almost exclusively from Germany.

665 565 **THE GOVERNMENT.** The most powerful of all political parties were the Liberals who were entrenched in influential positions of the administration, the army, finance and industry. Led traditionally by a member of the Bratianu family, whose name at one time was almost synonymous with that of Rumania, the Liberal Party was able to rule the country directly or indirectly up to a very short time ago. Her adherents had very little in common with the Liberals of the West, representing, as they did, the Right Wing of the numerically weak but financially 665 and politically powerful Rumanian bourgeoisie. An 666 electoral law introduced by the Liberal Government in 1926 stipulated that the party which had secured 40% of the votes should obtain 60% of all parlia-

mentary seats. This device, combined with the 666
electoral methods adopted, normally assured the 665
continuance of the government in power.[1] In
Foreign Affairs the Liberals supported the French [648]
Alliance and the League of Nations in whose councils the Foreign Minister, N. Titulescu, had considerable influence.

The National Peasant Party led by Maniu and 665
Mihalache had the support of the rural population and represented the Left Wing of Rumanian politics. The party stood for a genuine Land Reform. It was not, however, a homogeneous party. From the first it had a Right and a Left Wing. As time went on, and especially when the political situation became more confused in the late thirties, the Right Wing tended to sympathize with the Iron Guard against the Royal dictatorship and the Left Wing with the Communists. The failure of the National Peasant Party to hold power after 1928 was due to the lack of confidence in the people, the fear of radical changes favoured by many sections of the population and hesitation to attack the firmly entrenched vested interests resolutely.

Although Rumania had a parliamentary constitu- 661
tion the country was ruled by anything but democratic methods. Parliamentary representatives, ministers and the press could be made to advocate and carry out any measure if adequately paid by interested parties. The corruption of the lower civil service seemed as nothing compared with that on the top. State contracts, exemption from taxes and

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[1] It failed only twice: in 1928 when the National Peasant Party gained an electoral victory and in 1937 when Tatarescu's government fell.

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642 attracted personalities who were willing to abjure
643 their political faith and serve the Crown.

While continuing to pay lip-service to the League
643 of Nations, he supported the Italian campaign in
648 Abyssinia by sending food and war material to Italy. During the Spanish Civil War propaganda in favour of Franco was allowed and supported, while anything in favour of the Republican cause was banned.[1]

The result of the elections in December 1937, on
643 the eve of Hitler's seizure of Austria, precipitated
● 665 events. The government of the day, headed by the Liberal Tatarescu, failed to secure the necessary 40% of the votes and resigned.[2] Carol refused to entrust Maniu with the formation of a government; and the Iron Guard had by now assumed such a hostile attitude towards the king that a compromise with them was out of the question. Consequently Carol called the 'National Christian Front' to power, an anti-Semitic and Fascist organization led by the poet Goga and Professor Cuza. Goga became Prime Minister and his cabinet contained former members of the Liberal and Peasant Parties who now went over to the absolutist camp, as well as the future 'Conducator'[3] Antonescu.

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[1] General Cantacuzino and several legionaries joined Franco and when two of them were killed their coffins were carried all over Rumania with great processions and interred at the headquarters of the Iron Guard in the presence of German, Italian, Spanish and Japanese representatives. At the same time collectors for the Republican cause were imprisoned. Nevertheless there were many Rumanians fighting for the Republicans in the 'Dimitrov' battalion.

[2] The result was: Government 35·9%, Peasant Party 20·4%, Iron Guard 15·5%, National Christian Front 9·1%.

[3] Leader.

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CHAPTER VI

UNDER GERMAN CONTROL

The nineteen-thirties saw an acute sharpening of 565
the conflict between the popular forces and the Ru- 578
manian ruling class which was mirrored in all spheres 465
of the country's life. Neither of these two was undivided. On the one side was the majority of the people—the peasants and workers and some intellectuals. On the other the court, the generals, the vast bureaucracy, the professional politicians, industrialists, bankers and big landowners. The peasantry was hardly organized and was split by national divisions, as a part of the non-Rumanian rural population supported Minority parties which were mostly opposed to united action with the corresponding Rumanian parties. The workers' movement suffered from similar divisions and from splits caused by ideological differences. Numerically it was weak owing to the small number of industrial workers. Moreover all workers' organizations were subject to the most severe restrictions.[1] The ruling class of Rumania was united in its determination to prevent any measures harming its interests. The divisions in its ranks were due to differences as to the best means of maintaining its privileged position and to competition between the established section

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[1] The most vigorous Left Wing Party were the Communists, whose organizations, though illegal, continued in spite of repressive measures. They were most influential in Bessarabia, the Bukovina and the industrial regions.

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578 of this class and those who wanted to secure this
565 dominant position for themselves.

These divisions were complicated by the per-
665 sonality of King Carol and the attitudes of different sections of the ruling circles to his personal regime. One group put its trust in the royal dictatorship and included supporters of the pro-French and pro-British wing. Many prominent politicians from both great parties were attracted to this camp, the Liberals Tatarescu and Micescu, for example, and the peasant leaders Vaida-Voevod and Calinescu. Another group went over to the extreme Right Wing and supported the Iron Guard and similar but smaller organizations, and these inclined to a pro-German foreign policy. There were naturally some who tried to steer a middle course.[1]

665 Economic and financial considerations played an
important and often decisive part in this political
648 alignment. The Liberals had a great interest in a pro-Allied policy as they were closely connected with British, French and American investments in Rumania. The extreme Right Wing counted on support from Germany, which was readily given, and in return it facilitated the growth of Germany's political and economic influence. Both groups had discarded both the cloak and the spirit of democracy, and their leanings towards dictatorship, varying in form but not in substance, facilitated the victory of

[1] C. Bratianu, leader of the Liberals, joined Carol's 'party' but only in order to keep his great industrial and financial interests. Maniu, the leader of the Peasant Party, remained passive. He showed sympathy to the Iron Guard in their opposition to the king's dictatorship and later joined Bratianu in seeking to restrain them: but he retained his pro-French leanings.

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the pro-Nazi group. This, combined with the 665 ● developments in the regions bordering on Rumania, 648 and the changes in the international situation, explain the seemingly inexplicable migration of the majority of the Rumanian ruling class from the Allies' to the Axis camp. The real rulers of Rumania depended to a great extent on foreign support: when the power of Britain and France seemed on the wane they had to look for new protectors, and many, though not all, therefore became pro-German.

THE LAST DAYS OF GREATER RUMANIA. The year 661 1939 opened ominously for Rumania. The alignment 648 of power on the continent of Europe had its counterpart in the grouping of Rumania's political forces, and the impending Great War threw its shadow on the sombre scene of Rumanian politics. After the assassination of Codreanu in November 1938 a wave of terror and repression swept the whole country, which resulted in a series of wholesale murders committed both by Iron Guards and the police. The new 'Party of the Nation' which had replaced the 'Front of National Renaissance' was an artificial veil for the manipulations of Carol and the court. The unstable political edifice, erected by the king tottered, in spite of the British Government's guarantee of 13 April 1939, which promised to assist in the defence of Rumania's independence. Germany increased her pressure to obtain a greater hold on Rumania's natural resources, while Britain and France tried to maintain their economic position.

At the outbreak of hostilities in September 1939 Rumania, although allied to France and Poland, remained neutral. The internal situation deteriorated

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dence was also that he had participated with General Pretorian and a few others in signing the letter against Radescu which forced him out of power. After this act he was appointed Chief of the State Security Administration in the Ministry of Interior, a position in which he had abundant opportunity to prove his cruelty and adaptability to Communist demands and maneuvers. He remained Chief of the General Staff until March 1950, when a party militant took his place. He has since left military activities.

Below the ministerial level career generals continue in such posts as Inspector of Artillery, Deputy Chief of Staff, two commanders of military regions, Commander of the Military Academy, three division commanders, one commander of an army corps, one of an artillery corps, and one of an armored corps, Chief of Staff of the Security Troops, Commander in Chief of the Navy, etc. Our sample of twenty-four includes at least five lieutenant generals.

Typical of the remaining career officers is General Alexander Gavrilescu, Commander of the second military region with headquarters in Bucharest. General Gavrilescu is an artillery officer and a graduate of the War College in prewar Romania. In the fall of 1944 he was Chief of Staff of the Fourth Army fighting on the Eastern Front. When the Fourth Army turned upon the German and Hungarian troops in Transylvania and Hungary, General Gavrilescu denounced the Commander of the Army, General Avranescu, and his own deputy chief of staff to the Soviet Commander of their front, Marshal Malinovski. Both these officers were imprisoned and Gavrilescu succeeded to the command of the Fourth Army.

Two other top career officers in the present Romanian Army are Lieutenant Generals Stere Stefanescu and Iacob Teclu. Both these men are former prisoners of war of the Russians. Stefanescu is now Commander of the first military region with headquarters at Iasi and had been Commander of the second military region before Gavrilescu. He was also an artillery officer in the prewar Romanian Army and took part in the formation of the Horia-Closca-Crisan Division in the Russian prison camps. Lieutenant General Teclu was a colonel when he was captured in 1942. He then served as Chief of Staff of the Horia-Closca-Crisan Division.

It may be noted that most of the present general officers retained from the prewar Romanian Army were colonels until the Communists promoted them. We have information on the pre-Communist rank of ten career officers and of these eight were colonels and only two were already generals. The single most important distinguishing feature of the career officers who remain in the army, however, is the large proportion among them who are indoctrinated prisoners of war.

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2. Communist Officers

When Bodnaras became Minister of the Armed Forces, he immediately put a Communist in as Deputy Minister in charge of the

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Political Department. This is not surprising. It is indeed surprising that the Communists had permitted Major General Mihail Maltopol, a career officer, to hold this position until that time even though General (then Colonel) Maltopol had been a prisoner of war whom they indoctrinated and who joined the Tudor Vladimirescu Division. Still only a trusted Communist could be permitted to head the Political Department so Maltopol was made chief of the Military Museum.

Maltopol was replaced by Lieutenant General Petre Borila, the first of a series of prominent Communists to hold the position of Deputy Minister in charge of the Political Department. General Borila is a Romanian of Russian origin. He participated in the rebellion of Tatar Banar in Bessarabia in 1923-24, and was sentenced to twenty years imprisonment. After five years he escaped from prison and went to Russia, where he joined the secret police. He came to Romania in 1944 as an agent of the NKVD with the rank of major. He became an instructor in the Directorate of Education, Culture, and Propaganda. Shortly after Bodnaras took office he promoted Borila to Major General and Deputy Minister. Since then Borila has left military work and his latest known position is with the Presidium of the State Control Commission or in other words, a purger. He was succeeded by Major General Mihail Florescu, Spanish Civil War veteran, who is now Minister of Chemical Industry, then by Major General Gheorghe Stefanescu, and finally by Major General Nicolae Ceausescu, who had previously been Deputy Minister of Agriculture.

General Ceausescu perhaps owes his position to an association with Prime Minister Gheorghiu-Dej going back to the thirties when they were railroaders together. Ceausescu joined the Communist party in 1932 when he was about twenty-nine but had no prominent record of activity until after the war. In 1944 he was a foreman in the Crivitsa engine works of the State Railway. In 1947 he became a member of the Central Committee of the Communist party and in 1948 of the Orgburo. On March 18, 1950 he was given the rank of major general although he had no previous military experience. In 1952 he was promoted to lieutenant general. He is regarded as Gheorghiu-Dej's man and a check on Bodnaras. The power of his position is indicated by the fact that he, not Bodnaras, attended Stalin's funeral.

Altogether there were in 1952 nine generals among the forty-six members of the Central Committee of the Romanian Communist party. A typical one of them and one of the most important is Lieutenant General Leontin Salajan, Deputy Minister of the Armed Forces and Chief of the General Staff. According to our information General Salajan is a Hungarian born in Transylvania, his original name being Szilagy. He was a worker having worked both as a cobbler and as a steel turner. At the age of nineteen he became a Communist sympathizer. Two years later he joined the party. In 1926, 9; Pool S-4 (no date) 1954 El Europe

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the same year that he joined the Communist party, he entered his military service as an infantryman. Somehow he managed to escape a criminal record in Romania although he continued in Communist activity working in an airplane factory. During the war, if not earlier, he was in Russia though his activities there cannot be determined. After the war he turned up as secretary of the Communist party in the city of Oradea, which is located in the disputed border territory between Hungary and Romania. This section, which was at that time Hungarian, was in fact under the rule of the Red Army. It was returned to Romania after the Groza government was formed and the Soviets were satisfied that they could completely control the Romanian regime. By that time (1947) he was secretary of the Communist party of Salaj County, the province of his birth. In 1949 he became president of the army's Control Commission. In the same year he was also Deputy Minister of Justice and then Deputy Minister of Construction. He had still never been an officer. Then on March 18, 1950, he was made Deputy Minister of the Armed Forces and Chief of Staff. At the same time he was given the rank of major general and was promoted the following year to lieutenant general. In 1950 he was also given the Order of the Defense of the Fatherland. In 1952 he became a member of the Central Committee of the Communist party. According to some reports Salajan owes his ascendance for the most part to his friendship with the Prime Minister of Romania Georghiu-Dej. These sources claim that he is Georghiu-Dej's man, placed as Chief of Staff as a check on Bodnaras. Whether these rumors have any foundation or not, it is clear that Salajan's function as Chief of Staff must be primarily political and not military. A Western observer may wonder how such a man with his meagre knowledge of the arts of war can be Chief of Staff. The reason that Salajan can do without professional military competence is that the real Chief of Staff is not Salajan but the representative of the Russian General Staff for the Romanian Army. That, however, is a solution only for the moment.

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E. Prospects of Romanian Military Development

If our analysis of the trends in the satellite armies is correct, we must regard the present situation in the Romanian Army as an unstable and transitory one. Power is shared between a small group of utterly incompetent and unprofessional political Communists at the very top and some career officers who have been indoctrinated by the Communists (largely in PW camps) immediately below them. At the same time Russian officers perform many functions behind the scenes (not as in the Polish Army being openly integrated into the regular normal chain of command). This is not a satisfactory situation from the Soviet point of view either in terms of efficiency or in terms of loyalty. Both the Communist militants and the career officers are lacking in some respects.

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(as Stalin argued persuasively at Yalta) to deserve separate membership in the United Nations. The voice of the Ukraine is therefore heard at Flushing Meadows—and is not to be despised, even though it is the voice of Jacob rather than Esau, for usually it has been that of Mr. Manuilsky, one of the most experienced revolutionary debaters extant. The voice of the Rumanian People's Republic is not heard there and is not paid much if any attention anywhere. 648

Before long the question will come up whether Rumania deserves even the title of satellite. This might be settled by Moscow's decision to bring her into the Soviet Union as one of the constituent member republics. Until now an argument against this has probably been the hope that she might one day be elected to membership in the United Nations, in exchange for Moscow's acceptance of some Western-sponsored candidate like Ireland or Portugal. But meanwhile the orbit in which she moves has so much shrunk that she no longer shines even by reflected light, and the chance that she might be considered entitled to membership in any world assembly of independent nations has greatly diminished. Foreign newspaper men no longer are allowed to report directly on what is occurring in the country. If elements of national resistance still exist we hear little or nothing of their activities.

Bucharest might have hoped to claim glory as the capital of the Cominform, which she supposedly became when the organization moved out of Belgrade. Even this is denied her, for the Cominform no longer meets regularly, in Bucharest or anywhere else. Perhaps the Soviet leaders see no further value in the organization. Perhaps Stalin has made up his mind not to permit any alternate center of power, even minor, to the Kremlin. Some persons think that the Cominform was created originally in order to deal specifically with the Jugoslav situation, and having fulfilled this function, though far from successfully, is now retained simply as a paper organization for possible use some time in the future. Today its principal activity is as a printing press. To the extent that glory attaches to being a printing press Bucharest has it. The Cominform journal, *For a Lasting Peace, for a People's Democracy!*, is printed there in some 15 languages. 665 668

The Cominform journal may even be written largely in Bucharest. 000

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648 advertise to the Rumanian masses, most of whom had never heard
728 his name. On March 8, therefore, Groza was told to ask Stalin for northern Transylvania, and by return telegram he received it as a "present." The Nazis had not yet been expelled from Budapest, so there was nobody there for Moscow to take into account. The Western Allies were not consulted. As a matter of fact, they had no objection to the return of at least most of Transylvania to Rumania, but would have preferred that it be done after study as to whether or not there should be frontier rectifications in favor of Hungarian ethnic groups; and they certainly would have considered it more suitable that the transfer be made after agreement among the Allies rather than unilaterally by one of them.

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668 The steps by which the Communist-dominated Rumanian Government became an absolute Communist dictatorship need not be detailed here.[*] In the beginning there certainly were some non-Communist elements which favored a clean sweep of the old order even though the representatives of the new order were Communists and protégés of the hated Russians. Seizure of the large properties still left in Rumania after the land reforms following the First World War was popular in principle. Rumanian régimes of the inter-war period had not been noted for efficiency or probity, and the Communists hastened to identify all Rumanian statesmen who held democratic beliefs and had a Western orientation with the "old gang" of profiteers and politicians who had mocked the Constitution in the dissolute days of King Carol and had ended by taking Rumania into the war as the ally of the Nazis. The fact that Maniu, the country's leading statesman, was famous for his incorruptibility and stubborn devotion to the Constitution did not deter Communist propaganda from picturing him also as a corrupt relic of the old dictatorial order. The Socialists were, of course, completely outbid by Communist promises of pie in the sky.

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423 But although these tactics had some success at first the only one of them that was based on anything substantial, the gift of land to

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[*] For a fuller outline of the postwar evolution in Rumania as well as other parts of Eastern Europe, and of relevant negotiations (if they can be called that) between the Soviets and the Western Powers, see Campbell, *op. cit.*, also volumes for 1947–48 and 1948–49 in the same series by the same author, and the volume for 1949 by Richard P. Stebbins.

the peasants, was a boomerang. The land reforms of 1919–21 had 665
distributed about 14 million acres among about 1,400,000 peasants. 241
The new Communist expropriations distributed an additional 423
2,750,000 acres among about 1,100,000 peasants. It has been calculated that as a result more than half of the land holdings in Rumania consisted of less than seven and a half acres per family. Most farms of this size were insufficient to support independent farmers. Now this may have been as the Communists planned, for it enabled them to point out the advantages of collectivization to peasants who lacked even the minimum of tools and draft animals to cultivate their small private holdings. But when they did so they lost the popularity they had gained, both with peasants who worked ancestral lands and with those who had just shared in the expropriated estates.

The Communists thus felt it necessary to make their political position more secure, in particular to head off their natural rivals in the countryside, the formidable National Peasant Party headed by Maniu. In December 1945 a correspondent of the London *Times* had written critically of Maniu's "rigidity" and unwillingness to accept a modern "radical policy," and had blamed his "unbending attitude" for the "inevitable" political crisis. Less than a year later (October 18, 1946) the same or another correspondent of the *Times* reported from Bucharest that Maniu was "more popular than ever in his long career." The dispatch continued: "His past mistakes and weaknesses are forgotten. He stands now not for any program or ideology but for the idea of national independence. He is the symbol of the Rumanian nation."

As the Rumanian nation was to be destroyed, Maniu had to be destroyed.

This was the period for dealing with peasant rivals to the Communists in all the agrarian satellite states. In Bulgaria, the leader of the Peasant Party, Petkov, was arrested in June 1947 and hanged in September. In Poland, the leader of the Peasant Party, Mikolajczyk, was harried from the political scene and in October 1947 was forced to flee to London. In Hungary, the Soviets had made the mistake of permitting free elections and had lost them to Nagy's Smallholders Party; but they had stipulated that regardless of the

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661 electoral results a coalition government should be set up, and in this they secured the Ministry of the Interior and thus made ready to stage a coup at the opportune moment. That moment came in May 1947. Maniu's turn came in July 1947. He was arrested, the National Peasant Party was dissolved, and three months later he was put on trial before a military court presided over by Colonel Alexandru Petrescu. This officer had worn many uniforms and (as W. H. Lawrence who covered the trial for *The New York Times* recalled) had once filled the same judicial office under the pro-Nazi Antonescu dictatorship when the prisoners in the dock usually were Jews or were charged with being Communists or anti-Fascists, equally reprehensible in those days. After a two-week trial which travestied anything that we would call a judicial proceeding, Maniu was convicted and given solitary imprisonment for life. With him were sentenced Ion Mihalache, Vice President of the National Peasant Party, and other associates.

By the end of 1947 the Communists had dealt with all political rivals in Eastern Europe who had particular influence with the peasant masses. Whether the peasant leaders temporized or were rigid, collaborated or fought back, their fate was different only in degree: for some death, for some prison, for some exile.

Six weeks after Maniu was sentenced, King Michael, who had struggled to diminish his royal prerogatives to the point where they might be combined with a Communist dictatorship, and who occasionally seemed to be succeeding, was ordered to abdicate and leave
[642] the country. The Rumanian People's Republic was proclaimed December 30, 1947. No political focus of opposition was left—reactionary, bourgeois, agrarian, democratic or Socialist.

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661 Moscow even so did not feel that the situation in Rumania was all it should be. A core of nationalist sentiment seemed to remain inside the Communist organization itself, and it was ordered cut out. The man selected to serve as an example was an old Party stalwart and cabinet member, Lucretiu Patrascanu. He had been a Communist member of Parliament in the twenties, a leader of the Communist underground during the war and head of the commission sent to Moscow to negotiate the Rumanian armistice. In the cabinets preceding Groza's he had been Minister of Justice, and Vyshin-

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sky thought him sufficiently reliable to allot him the same important position in the new setup. *The Daily Worker*[4] praised him in those days "for his staunch defense of leading anti-Fascists, such as Professor Constantinescu-Iasi, Ana Pauker and the railway strike leaders before the military and civil Rumanian tribunals," and added the information that he had joined the Rumanian Communist Party when it was first organized in 1920 and had been editor of the official Party organ, *Scanteia*, from 1921 to 1924. Patrascanu's administration of the Rumanian judicial system continued to be satisfactory at least to the end of 1947, for he was retained in the same post in the new republican cabinet formed after Michael's abdication.

Less than two months later, at a Congress when the rump groups still calling themselves "Social Democratic" joined the Communists to form the new Rumanian Workers' Party (Communist), Teohari Georgescu, Minister of the Interior, suddenly rose to assail Patrascanu as a deviationist. Like the accused, the accuser was a member of the Central Committee of the Party. Georgescu's complaint was that Patrascanu had fallen "under the influence of the bourgeoisie" and "had become an exponent of bourgeois ideology." As this happened at the end of February 1948, when only the innermost circle of Cominform authorities knew that Moscow was stigmatizing Tito as a bourgeois deviationist, we cannot tell whether the two developments were connected or whether Patrascanu merely happened to reveal some tendency toward independence at an unfortunate moment.

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Tito had been in Bucharest at the end of December 1947 to sign the Jugoslav-Rumanian pact of friendship and mutual assistance, and half a million persons had assembled at an open-air rally to hear him speak. "It was a great triumph," Mosha Pijade has written—in fact, Pijade admits, too great a triumph, "for it started personal jealousy where none of us expected it." He adds: "When Comrade Tito achieved triumphs during his visits to Warsaw, Prague, Sofia, Bucharest and Budapest, it was too much for them. Sick vanity threw the interests of world Socialism into the dirt."[5] If Patrascanu

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[4] New York, November 11, 1944.
[5] *Borba*, Belgrade, September 26 and 29, 1949.

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had not heard that Tito was in danger, he might have made up to him too openly. Maybe he happened to be one of those to whom Tito mentioned the troubles he was having with the Soviets, and maybe some informer transmitted a sympathetic comment to Moscow. A few days after Tito left Bucharest, Dimitrov arrived to sign a similar treaty of friendship on behalf of Bulgaria. This was the occasion where the exuberant Rumanian welcome is supposed to have gone to Dimitrov's head, leading him to speak imprudently about forming a wide federation of East European states as an offset to Soviet hegemony. Was Patrascanu implicated in the indiscretions for which the Bulgarian Prime Minister apologized so abjectly after returning to Sofia? Perhaps the international events merely coincided with Patrascanu's fall. Perhaps he was purged simply because his background was Rumanian rather than Muscovite (he apparently never was in Moscow until 1944), and suspects were being gotten rid of everywhere in preparation for the showdown with Tito. He had spent the war in the Rumanian underground and Rumanian jails and knew the country as Ana Pauker, Vasile Luca and other Moscow-trained Communists did not. He may easily have had ideas about the importance of Rumanian national feelings and perhaps even a feeling of his own for Rumanian national interests which would have been alien to the Muscovites. Whether this or something more specific accounts for his disgrace must remain speculation. What is on record is that he was denounced as a bourgeois and nationalist and expelled from the Party to which he had belonged for 28 years.

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The purge begun with Patrascanu went wide and deep. In the Cominform journal for February 10, 1950, the Secretary-General of the Central Committee, Alexandru Moghiorosh, reported that the "ever sharpening class struggle" had necessitated a thorough housecleaning of "bestial, alien and opportunist elements." In all, he said, 18 percent of the Party members had been dropped. On the date when the remnants of the so-called Social Democratic parties merged with the Communists, the combined strength of the new Rumanian Workers' Party was said to be about a million. This would indicate a purge of something like 180,000 individuals found to be lacking in Communist zeal or trustworthiness. Moghiorosh warned that "the

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Anglo-American imperialists and their Titoist agents" would try 661
to disrupt the Party in the future as in the past, and he asked for
redoubled revolutionary vigilance against "all deviations from the 665
Party line."

Those who were not purged were vigorously educated in the same 661
ideas which Dimitrov, Bierut and Revai had brought to the attention 665
of their followers. They were informed that in Rumania as elsewhere 565
one of the touchstones of conformity to the new Moscow line was to be the attitude of the Parties toward the peasants. In the early days of their power, the Rumanian Communists had aimed to make private ownership of land unpopular by proving it unprofitable. As in the other satellites, they had set high tax rates on land, imposed high indirect taxes on salt, matches and other commodities which the peasant could not avoid buying, fixed high prices for manufactured goods in comparison with agricultural produce, offered special favors to peasants who joined collectives and in other ways demonstrated the hazards and costs of independent farming with a view to bringing the peasants to favor collectivization, as it were of their own accord. Minister of the Interior Georgescu signalled the end of this era of persuasion, if it can be called that, in the spring of 1949.

Georgescu joined the ranks of Dimitrov, Bierut and Revai with a 665
contribution to the Cominform journal for June 1, 1949. As an 565
article there would be read abroad as well as at home he used more discreet language than, for instance, Revai had felt necessary in addressing the comrades in Budapest. In the main, however, his definitions and instructions followed the same pattern. There was to be "a sharpening of the class struggle in town and countryside," and he made plain, as Revai had done, that although "the main ally of the working class is the working peasantry" the working class always reserves to itself "the leading rôle." He also agreed that a civil war would not be necessary to bring in the full dictatorship of the proletariat. In Rumania as in Hungary the Soviet Army was always there "to support us." Vasile Luca, Secretary of the Central Committee of the Rumanian Workers' Party (Communist), followed soon afterwards with an article speaking of "the ever sharpening class struggle" and "acute class struggle in the countryside in par-

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665 ticular," and referring to the workers "as the sole guiding force in
565 the country."[*] Nevertheless he seemed slightly on the defensive over the fact that after having had a free hand longer than any other Party in Eastern Europe the Rumanian Communists had only succeeded in forming to date 6,732 coöperatives of all types (consumer as well as producer coöperatives). He stressed that "mass collectivization" must wait on increased industrialization to supply needed farm machinery. And as if to forestall the jibes of Jugoslav Communists he attacked their achievements in collectivization as not only wrong in substance but as having been produced at a wrong tempo.

241 The hope of basing Communist rule on the dominance of the
industrial proletariat over the peasantry seems especially ambitious
[062] in Rumania, where only about five percent of the population are
565 industrial workers and 80 percent are peasants. It is true that agrarian overpopulation exists in Rumania and therefore a gradual shift of some rural elements to city pursuits must occur. The Communist expropriations failed (as the Communists had expected) to solve the agrarian problem because the properties still remaining undivided were insufficient to supply all landless peasants with land or to give those receiving land sufficient acreage to make them self-supporting. Mechanization of agriculture, so much emphasized in the satellite countries, will not solve the problem but will merely aggravate it by increasing the peasant's dependence on a single crop marketed under strict state control. The solution is to raise the standard of living of the peasants. This could be done by improving seeds and livestock, diversifying crops, developing home industries, improving methods of marketing, building roads, providing facilities for local food processing to avoid wastage, and consolidating separated family strips of land into efficient farming units. As rural living standards rise productivity would increase, and this would permit concurrent rises in the living standards of the industrial workers. These objective facts of the Rumanian economic structure rule out any other procedure unless it is frankly based on injustice and is indifferent to human unhappiness on a tremendous scale.

The Communists cannot, however, favor a program like the one

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[*] *For a Lasting Peace, for a People's Democracy!*, Bucharest, August 1, 1949.

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[For the economic and political position of Rumania under Soviet control since the death of Stalin, see 85: Zinner, R1 Soviet Union, category 116, Pp. 157B-163B.]